



**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re Application of: David J. Alverson      Group Art Unit: 3623  
Serial No.: 10/634,504      Examiner: Peter H. Choi  
Filed: August 5, 2003  
For: **CONTRACTOR CERTIFICATION SYSTEM**  
Docket No.: 0131-1

September 28, 2009  
Bedminster, NJ 07921

Board of Patent Appeals and Interferences  
United States Patent and Trademark Office  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

**APPEAL BRIEF**

This Brief is in furtherance of the Notice of Appeal entered July 27, 2009 in the above-identified application, which reinstated the Notice of Appeal filed on January 3, 2008 subsequent the reopening of prosecution in this application.

The fee required under 37 CFR §41.20 accompanied the original Brief filed on March 7, 2008 for which no final Board decision has been rendered, and therefore, the previously paid appeal fee shall be applied to this appeal, together with a Check in the amount of \$55 to cover the increased fees for an Oral Hearing and for the Appeal Brief. Accordingly, other than the \$55 Check for increased Oral Hearing and Appeal Brief fees, no further fee payment for this appeal is required.

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Ernest D. Buff

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**(I) Real Party in Interest**

The real party in interest is David J. Alverson, the inventor of the present invention.

**(II) Related Appeals and Interferences**

There are no other appeals or interferences in related applications known to the appellant or to the appellant's legal representative, which will directly affect or be directly affected by, or have a bearing on, the Board's decision in the pending appeal.

**(III) Status of Claims**

The claims on appeal are claims 1, 2 and 4 – 13, which were finally rejected in the Office Action dated April 27, 2009. Originally-filed claim 3 has been cancelled during prosecution. A copy of these claims is set forth in Section IX – Claims Appendix.

Claims 1, 2, and 4-13 stand finally rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter.

Claims 1, 2, and 4-13 stand finally rejected under 35 U.S.C. §112, first paragraph, as being based on a disclosure which is not enabling.

Claims 1, 2, and 4-13 stand finally rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 1, 2, 4, 5, 7, 8, 9, 12 and 13 stand finally rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,765,138 to Aycock et al., in view of GuruNet's "Business Evaluation Statements", further in view of the Award Expiration/Closeout section of the University of Utah Research Handbook reference, the

"Field Team Audits" by The Nielson Environmental Field School reference and U.S. Patent Application Publication No. 2004/0059592 to Yadav-Ranjan.

Claims 6, 10, 11 and 13 stand finally rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,765,138 to Aycock et al., in view of GuruNet's "Business Evaluation Statements", further in view of the Award Expiration/Closeout section of the University of Utah Research Handbook reference, the "Field Team Audits" by The Nielson Environmental Field School reference and U.S. Patent Application Publication No. 2004/0059592 to Yadav-Ranjan, and further in view of Ana Volpli's "Support Center Practices Certification" reference.

**(IV) Status of Amendments**

The claim listing set forth in Section IX reflects the pending claims, which were presented by way of applicant's amendment under 37 CFR §1.111 that was submitted on February 2, 2009. Entry of these claims was confirmed by the Office Action dated April 27, 2009.

**(V) Summary of Claimed Subject Matter**

Independent claim 1 is pending in the present application, along with claims 2 and 4 – 13 dependent on claim 1.

**Independent claim 1.**

Independent claim 1 is directed to a contractor certification system for obtaining lines of credit for a building contractor. The contractor certification system comprises: (i) survey means comprising a questionnaire stored in a computer database, which is provided to selected candidates within different organizational levels of a building contractor's business for electronically gathering answers concerning information detailing business and financial practices, the answers being used for assessing business and financial practices of the contractor's practices by an independent third party, the financial practices being used to predicate risk ranking when securing lines of credit for the contractor's business, the business practice information comprising management structure, reporting structure, internal communications procedures, safety and labor management practices, the financial practice information comprising current projects, funding, gross margins and close out procedures (page 13, lines 10-12; page 14, lines 19-22; page 16, lines 1 – 5; Fig. 5; page 22, lines 15 – 23; and page 23, lines 1 – 8); (ii) different organizational levels comprising at least one worker, foremen, project manager, engineer, and principal (page 16, lines 7-11); (iii) mapping means for studying the answers provided to the questionnaire on the computer database to select job site visits and candidates for interviews, the mapping means comprising examining and correlating the answers to determine matches, discrepancies and inadequate details (page 17, lines 9 – 14); (iv) on-location assessment means for determining business and financial practices

at the contractor's operations, the assessment means comprising asking questions to each of the candidates selected through the mapping means and observing examples of the contractor's business practices and financial procedures, the assessment means further comprising visiting several active job sites at which the contractor is involved (page 16, lines 10-16, 21-23; page 17, lines 1-9); (v) comparison means for assessing business and financial practices by way of software evaluation of results obtained from steps a-d, and electronically ranking the contractor in comparison with industry standards (page 17, lines 16-21); and (vi) reporting means for providing a grade indicative of the contractor's rank, the reporting means further comprising computer generation of a comparative report that provides a listing of key risk factors and highlights the business and financial practices and risk factors of the contractor in comparison of the risk factors, the risk factors comprising the operational structure, marketing of new projects, current projects, details of project execution, safety procedures, statutory compliance, project administration, mediation / arbitration procedures and past litigation (page 17, lines 19 – 23).

The answers resultant from the survey means are used for assessing business and financial practices of the contractor's practices by an independent third party (page 14, lines 19 – 24 onto page 15, lines 1 – 5). The answers relating to the financial practices are used to predicate risk ranking when securing lines of credit for the contractor's business (page 15, lines 5 – 9).

Business practice information uncovered through the survey includes the contractor's management structure, reporting structure, internal communications procedures, and safety and labor management practices (page 20, lines 1 – 10). Financial practice information uncovered through the survey includes current projects, funding, gross margins and close out

procedures (page 20, lines 11 – 16). The mapping means comprises examining and correlating the answers to determine matches, discrepancies and inadequate detail (page 12, lines 22 – 24). On-location assessment means comprise asking questions to each of the candidates selected through the mapping means and observing examples of the contractor's business practices and financial procedures, and visiting several active job sites at which the contractor is involved (page 16, lines 21 – 24; page 17, lines 1-9). Reporting means comprises generation of a comparative report that provides a listing of key risk factors and compares and highlights the business and financial practices and risk factors of the contractor (page 20, lines 14 – 20). Risk factors include operational structure, marketing of new projects, current projects, details of project execution, safety procedures, statutory compliance, project administration, mediation / arbitration procedures and past litigation (page 20, lines 14 – 20).

Schematic representations of steps carried out during practice of the contractor certification system delineated by independent claim 1 are depicted by Figs. 1 and 5 of the instant application, which respectively show a brief schematic of the steps carried out and a flowchart depicting the process of the contractor certification system 10 of the invention. For convenience, these figures are reproduced below.

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## CONTRACTOR CERTIFICATION SYSTEM

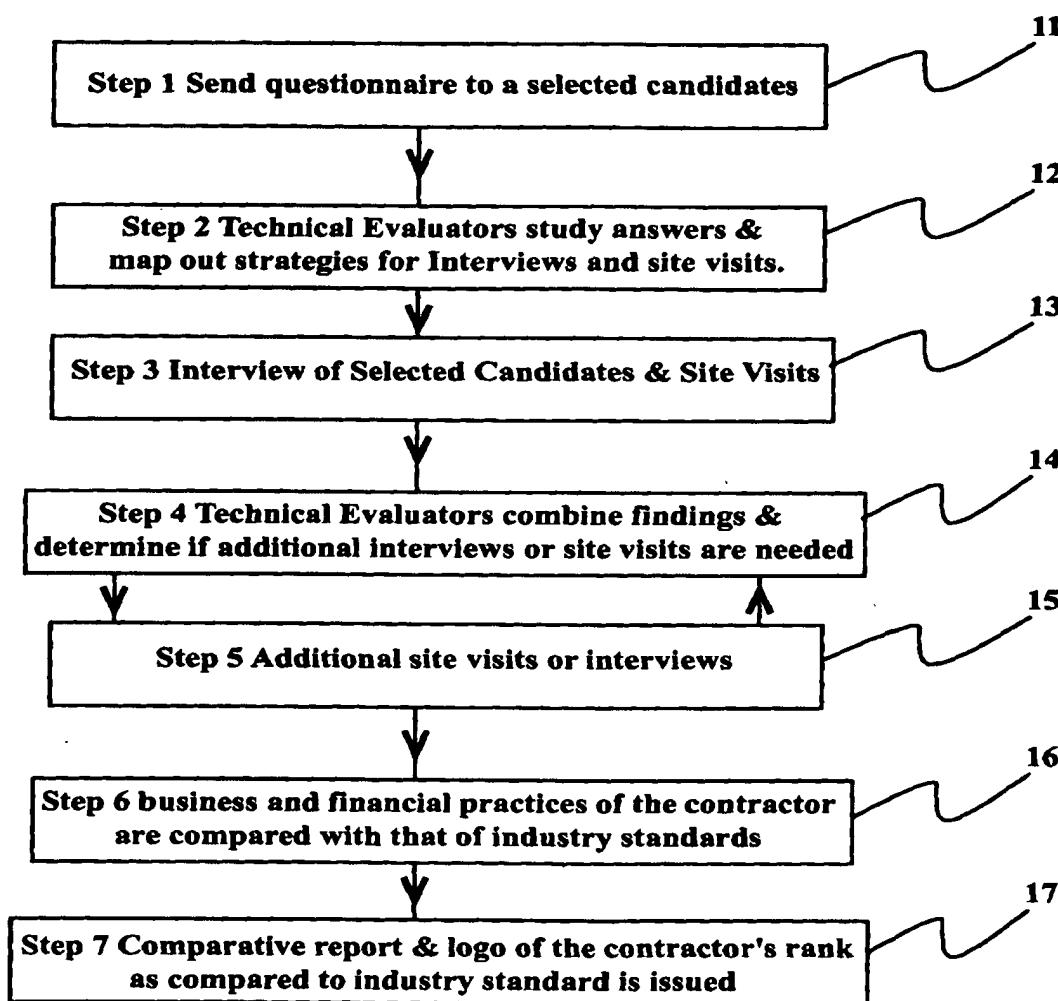


Fig. 1

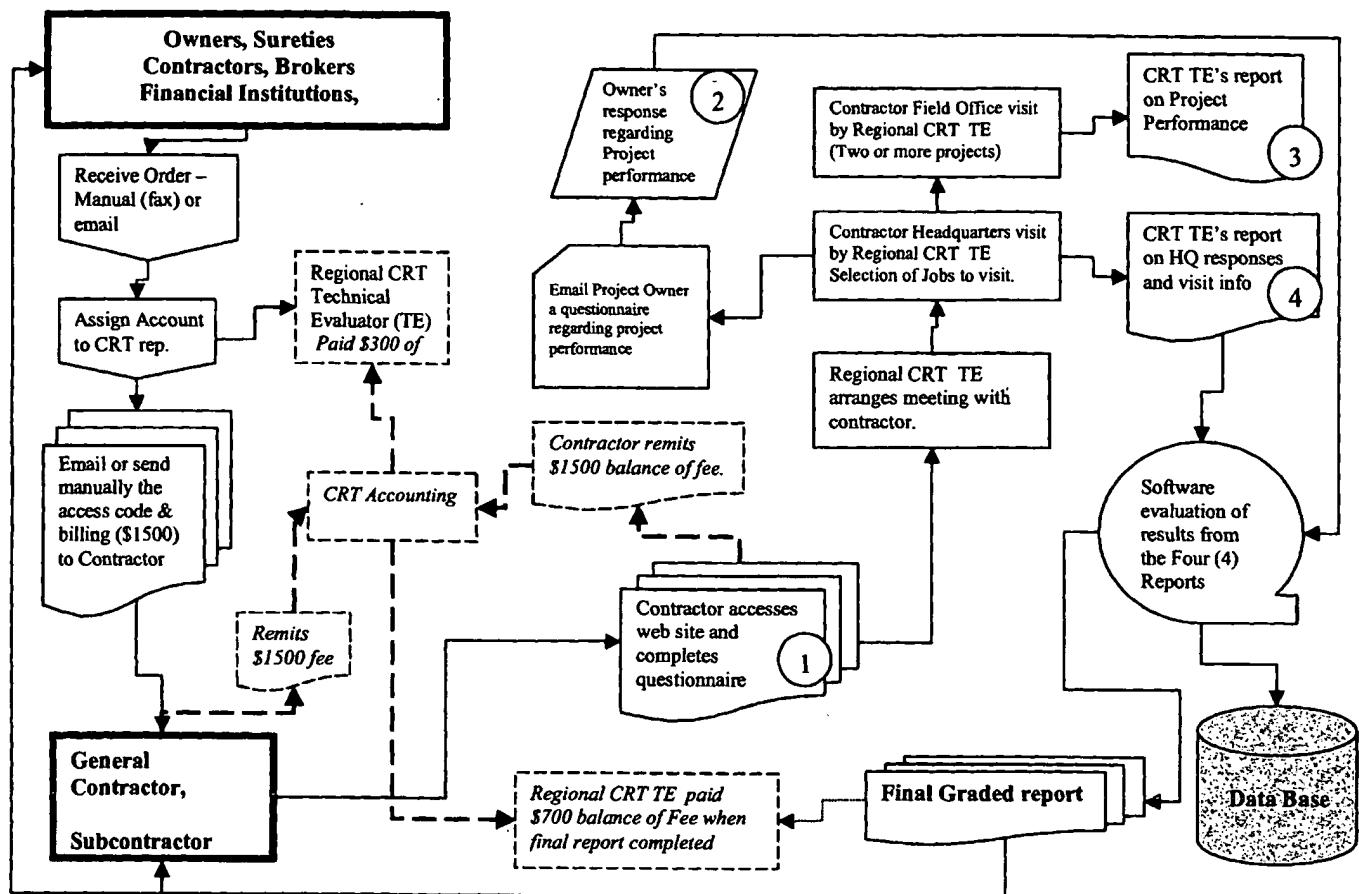


Fig. 5

(USSN 10/634,504)

As set forth at page 18, lines 16 – 18, contractor certification system 10 of this embodiment includes a series of steps that must be taken to concisely evaluate a contractor's business practice. As shown at 11 in Fig. 1, step 1 involves sending a questionnaire relating to a contractor's business to a number of selected candidates within the contractor's business. These "selected candidates" include workers, foremen, project managers, engineers

and principals, and each answer non-threatening questions contained by the questionnaire (page 18, lines 18 – 20). Depending on their roles in the organization, these candidates may submit substantially different answers and reference divergent illustrative incidents (page 18, lines 21 – 23). Completed questionnaires are sent to Construction Risk Technology, the evaluating company. To generally carry out step 1 (of Fig. 1) a contractor accesses the Construction Risk Technology web site, accesses a questionnaire stored therein a computer database, and completes a questionnaire which electronically gathers answers, and owners, sureties, contractors, brokers or financial institutions may access the web site (Fig. 5, step 1, page 21, lines 16 – 19). The web site system manages setting up an account for the owners, sureties, contractors, brokers or financial institutions and charges a fee accordingly (page 21, lines 19 – 21). If a request is made by a contractor, a regional Construction Risk Technology Technical Evaluator arranges a meeting with the contractor to complete interview questionnaires and job site visits (page 21, lines 21 – 23).

At step 2 (Fig. 5, page 21, lines 23 – 24; Fig. 1, shown at 12) the owner's response regarding project performance is obtained. Referring to step 2, the Technical Evaluators of Construction Risk Technology examine the details of the answers and correlate them to determine clear matches, clear discrepancies and inadequate details (page 19, lines 1 – 3). Based on this analysis, the Technical Evaluators map out strategies for interviews and visits to several job site inspections (page 19, lines 3 – 4).

At step 3, shown at 13 in Fig. 1, the Technical Evaluators visit the contractor and set up interviews with targeted employees or principals probing specific areas. The Technical Evaluators also visit contractor's work locations to determine work practices and financial

procedures (page 19, lines 4 – 7). In a small contracting company, one Technical Evaluator may accomplish most of these tasks (page 19, lines 7 – 8). Larger contracting operations will require the coordinated effort of several Technical Evaluators (page 19, lines 8 – 9). At step 3, the responses from questionnaires as well as details obtained during interviews and job site visits are gathered, compared and analyzed to create a report on project performance by Construction Risk Technology (page 19, lines 14 – 24).

Referring to step 4, shown as reference number 14 in Fig. 1, the Technical Evaluators combine their findings and determine if additional interviews or job site visits are needed (page 19, lines 9 – 11). At step 4, the Construction Risk Technology's report on contractor headquarters' responses together with additional visit information are compiled and gathered. The data obtained in step 4 is stored in the database and is compared with previous contractor evaluations using Construction Risk Technology software (page 22, lines 4 – 7). Step 5 / 15, shown as 15 shown in Fig. 1, involves that additional job site visits or interviews be conducted to assess the business and financial practices of the contractor (page 19, lines 11 – 12). Steps 4 and 5, shown as 14 and 15 in Fig. 1, are repeated until the Technical Evaluators are satisfied that they have acquired adequate information (page 19, lines 12 – 14).

In step 6, shown as 16 in Fig. 1, the business and financial practices of the contractor are compared with that of industry standards for contractors of a selected size and type of contractor work (page 19, lines 14 – 16). This standard exists within Construction Risk Technology, the evaluating company, as a database derived from evaluated contractor business and financial practices and the records of surety risk associated with their practices (page 19, lines 16- 18). In the final step 7, shown at 17 in Fig. 1, a comparative report of the contractor's rank as compared

to industry standards, is issued (page 19, lines 18 – 21). The comparative grade provided by the report can be exhibited by the contractor in prospective commercial correspondence (page 19, lines 21 – 22). The report is provided to the contractor and is available to authorized personnel at the Construction Risk Technology web site (page 23, lines 7 – 8). A representative portion of a typical comparative report issued by the Technical Evaluator to the contractor, and to a surety or lending institution delineated by independent claim 1 is depicted by Figs. 4c and 4d of the instant application. For convenience, these figures are reproduced below.

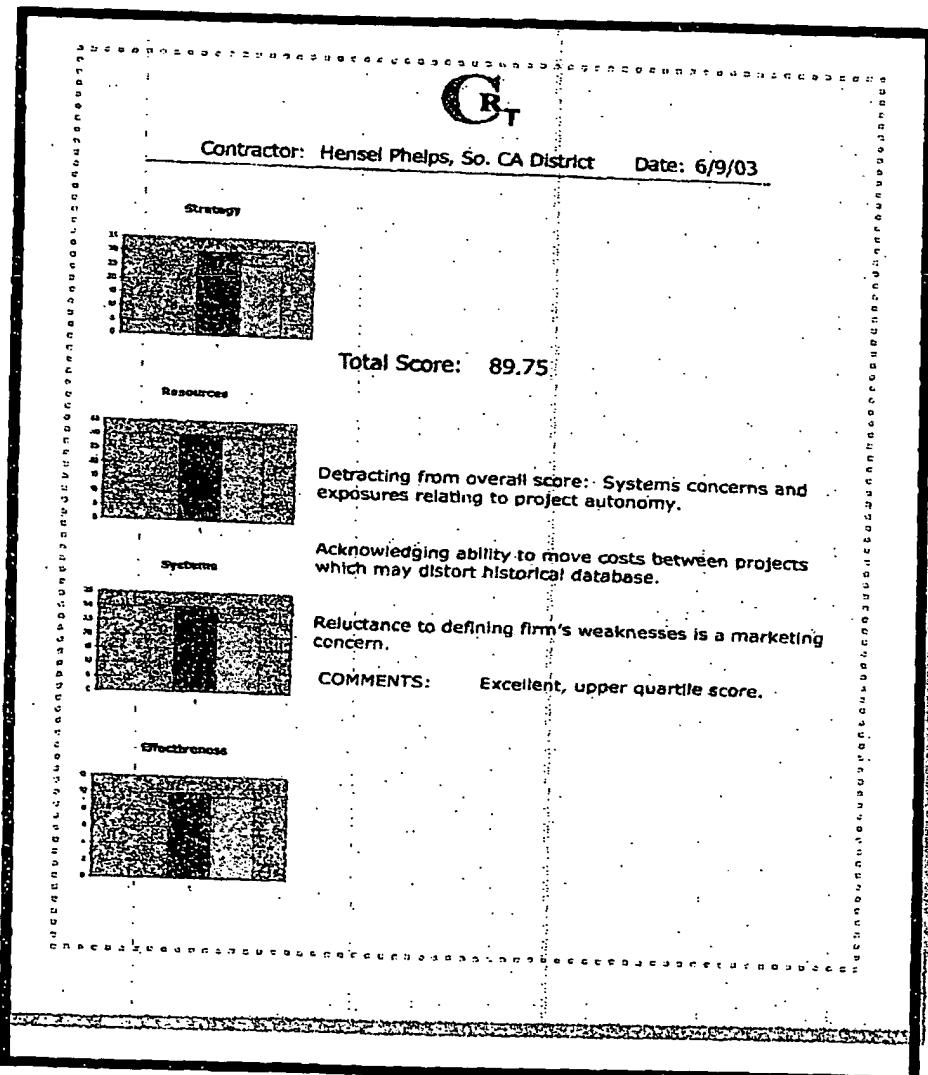


Fig. 4c

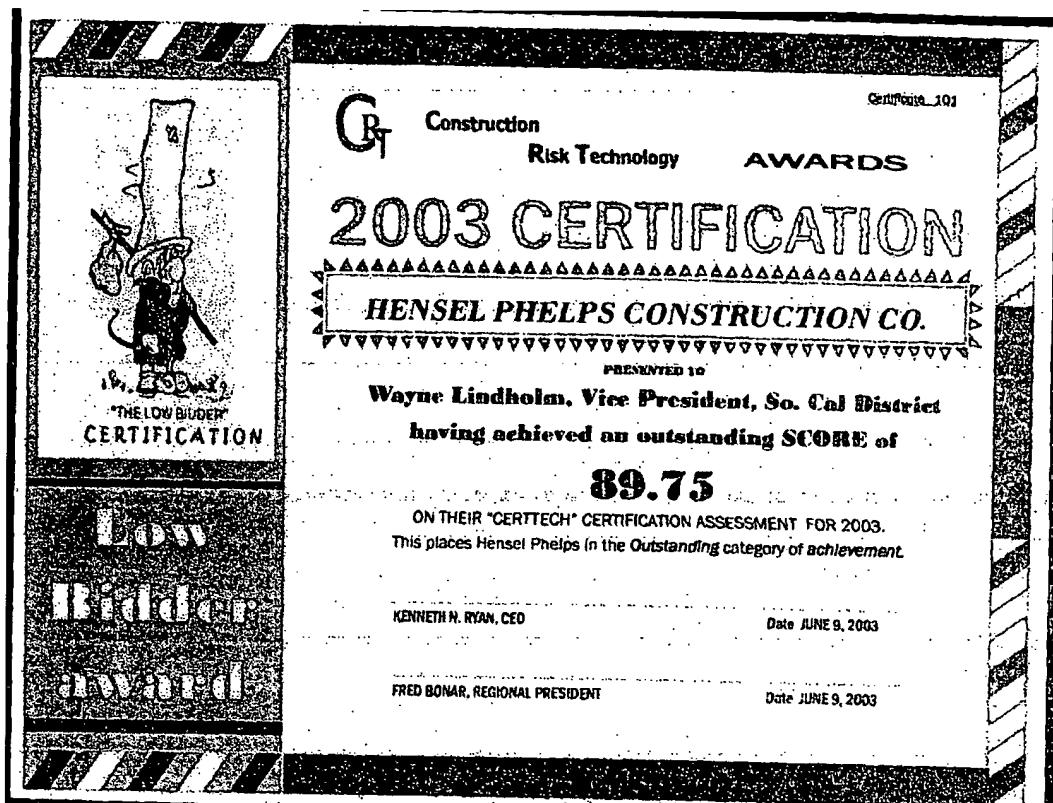


Fig. 4c

(USSN 10/634,504)

The comparative report provides a listing of key factors that are essential for surety and lender's organizations to underwrite bonds and loans for the contractor (page 21, lines 4 – 6). Contractor's business practices and risk factors are highlighted by the report, so that the surety and lending institution can make a valid judgment during the underwriting process (page 21, lines 6 – 9). The report enables contractors to be provided with the best possible rate while providing a comfort zone for the surety/lending institutions engaged in underwriting credit for

the contractor, thereby resulting in a smoother relationship (page 21, lines 9 – 12). Annual re-qualification of a contractor automatically provides evaluation of existing projects in relation to performance schedules and project cost management, so that the surety institutions are automatically updated (page 21, lines 12 – 14). The contractor also can increase the annual ranking by improving their business practices (page 21, lines 14 – 15).

None of appellant's pending claims employs means-plus-function or step-plus-function language of the type contemplated by 35 USC 112, sixth paragraph.

**(VI) Grounds of Rejection To Be Reviewed on Appeal**

- (A) Whether claims 1, 2, and 4-13 should be rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter.
- (B) Whether claims 1, 2, and 4-13 should be rejected under 35 U.S.C. §112, first paragraph, as being based on a disclosure which is not enabling.
- (C) Whether claims 1, 2, and 4-13 should be rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.
- (D) Whether claims 1, 24, 5, 7, 8, 9, 12 and 13 should be rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,765,138 to Aycock et al., in view of GuruNet's "Business Evaluation Statements", further in view of the Award Expiration/Closeout section of the University of Utah Research Handbook reference, the "Field Team Audits" by The Nielson Environmental Field School reference and U.S. Patent Application Publication No. 2004/0059592 to Yadav-Ranjan.
- (E) Whether claims 6, 10, 11 and 13 stand finally rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,765,138 to Aycock et al., in view of GuruNet's "Business Evaluation Statements", further in view of the Award

Expiration/Closeout section of the University of Utah Research Handbook reference, the "Field Team Audits" by The Nielson Environmental Field School reference and U.S. Patent Application Publication No. 2004/0059592 to Yadav-Ranjan, and further in view of Ana Volpli's "Support Center Practices Certification" reference.

**(VII) Arguments**

**(A) The contractor certification system of claims 1, 2, and 4-13 meet the conditions for patentability under 35 U.S.C. §101 as being directed to statutory subject matter.**

The Examiner has rejected claims 1, 2 and 4 – 13 under 35 U.S.C. §101 as being directed to non-statutory subject matter on the following basis:

**Claims 1, as currently written, claims coverage of a human as an element of the system/apparatus per se. Since the broadest reasonable interpretation of the claimed invention as a whole encompasses a human being, the claimed invention is directed to non-statutory subject matter. See MPEP § 2105. Specifically, limitation (d) is directed towards "on-location assessment means.... said assessment means comprising asking questions to each of said candidates .... Said assessment means further comprising visiting several active job sites at which said contractor is involved". Since no structure is provided as the "means for" the assessment means, by the broadest reasonable interpretation, this is performed by a (human) user. (Office Action of April 27, 2009, pages 23-24, ¶18).**

**Claim 1, as currently written, is disclosed as a system while reciting a plurality of method/process steps. However, claim 1 lacks the requisite system structure; there is no combination of computer hardware and software. Therefore, the plurality of "means" is interpreted to be software per se, which is non-statutory. (Office Action of April 27, 2009, page 24, ¶18 cont'd).**

Appellant respectfully disagrees with the foregoing statements of rejection. Applicant's claims provide a process eligible for protection under 35 USC 101 because Applicant's claims are tied to a particular machine or apparatus (a computer), OR, alternatively, Applicant's claims yield a process which transforms a particular article (electronic data) into a different state or thing (a grade and comparative report).

Section 101 provides that: "Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title." 35 U.S.C. §101. According to §100(b), "[t]he term 'process' means process, art, or method, and includes a new use of a known process, machine, manufacture, composition of matter, or materials." 35 U.S.C. §100(b).

The Supreme Court has construed §101 broadly, noting that Congress intended statutory subject matter to "include anything under the sun that is made by man." *Diamond v. Chakrabarty*, 447 U.S. 303, 309, 100 S. Ct. 2204, 65 L. Ed. 2d 144 (1980). Thus, it is improper to read limitations into § 101 on the subject matter that may be patented where the legislative history indicates that Congress clearly did not intend such limitations. *State St. Bank & Trust Co. v. Signature Fin. Group*, 149 F.3d 1368, 1373 (Fed. Cir. 1998)(business method patents encompass statutory subject matter).

*State St.* was abrogated in part by the Court of Appeals for the Federal Circuit's holding from *In re Bilski*, 545 F.3d 943 (Fed. Cir. 2008), *writ of cert. granted Bilski v. Doll*, 129 S. Ct. 2735 (U.S. June 1, 2009). Under *Bilski*, the CAFC has interpreted 35 USC §101 to yield a process eligible for patent protection if: (1) it is tied to a particular machine or apparatus; or (2) it transforms a particular article into a different state or thing. *Id.* at 959-960. In *Bilski* the CAFC held that "...a process tied to a particular machine, or transforming or reducing a particular article into a different state or thing, will generally produce a 'concrete' and 'tangible' result as those terms were used in our prior decisions." *Id.* Continuing, the CAFC stated that "...looking for 'a useful, concrete and tangible result' may in many instances provide useful indications of

whether a claim is drawn to a fundamental principle or a practical application of such a principle, that inquiry is insufficient to determine whether a claim is patent-eligible under § 101", but indicated that it was never intended to supplant the machine-or-transformation test outlined by the Supreme Court. *Id.*

The CAFC explained that the machine-or-transformation test is a two-branched inquiry wherein an applicant may show that a process claim satisfies §101 either by showing that his claim is tied to a particular machine, or by showing that his claim transforms an article. *Id.* at 961-962 *citing Gottschalk v. Benson*, 409 U.S. 63, 70 (U.S. 1972).

Application of the transformation part of the test requires that the claimed process transform an article into a different state or thing, and this transformation must be central to the purpose of the claimed process. *Id.* at 962. The CAFC in *Bilski* clarified what sorts of things constitute "articles" such that their transformation is sufficient to impart patent-eligibility under §101. In articulating this clarification, the CAFC in *Bilski* looked to the Supreme Court's previous holding that electronic transformation of data itself into a visual depiction constitutes transformation of an article into a different state or thing (pointing to the Supreme Court's holding in *In re Abele*, 684 F.2d 902 (C.C.P.A. 1982)). *Id.* at 963. The claimed process is not required to involve any transformation of the underlying physical object that the data represented. *Id.* So long as the claimed process is limited to a practical application of a fundamental principle to transform specific data, and the claim is limited to a visual depiction that represents specific physical objects or substances, there is no danger that the scope of the claim would wholly pre-empt all uses of the principle. *Id.*

Although the Examiner has set forth that the rejection of September 8, 2008, and visa vie the April 27, 2009 rejection, did not assert that the claimed invention failed to comply with § 101 under *Bilski*. [April 2009 Office Action, page 3]. *Bilski* is directly applicable because it outlines the current state of the judiciary in construing whether claims encompass statutory subject matter under Section 101.

- (i) Applicant's contractor certification system for obtaining lines of credit for a building contractor as required by claims 1, 2 and 4 – 13 is tied to a particular machine or apparatus and is therefore eligible for patent protection**

Applicant's claimed invention is implicitly tied to a particular machine, that being a computer. The computer, as required by Applicant's claims, provides a survey means comprising a questionnaire that is stored in a computer database, and is accessed on the contractor certification web site. Applicant's claims require that the questionnaire is provided to selected candidates within different organizational levels of a building contractor's business for electronically gathering answers concerning information detailing business and financial practices. Applicant's claims, as amended, further require comparison means for assessing business and financial practices by way of software evaluation of results obtained from steps a-d, and electronically ranking the contractor in comparison with industry standards to provide a grade indicative of the contractor's rank via a computer generation of a comparative report that provides a listing of key risk factors and highlights the business and financial practices and risk factors of the contractor in comparison of the risk factors.

What is more, the Examiner has set forth that claim 1 lacks the requisite system structure because there is no combination of computer hardware and software and therefore, the plurality of "means" is interpreted to be software *per se*, which is non-statutory. (Office Action of April 27, 2009, page 24, ¶18 cont'd). Applicant disagrees. Clearly, in order to store information in a computer database, a computer is required. What is more the computer itself and the computer database are considered hardware components, not software. Merriam-Webster's dictionary defines "hardware" as "the physical components (as electronic and electrical devices) of a vehicle (as a spacecraft) or an apparatus (as a computer)." Accordingly, the plurality of means is not software *per se* but hardware and therefore is subject to statutory subject matter.

Applicant's claims inextricably rely on numerous machines to process the survey results, determine the risk levels, and thereby calibrate the proper surety risk assessment. Applicant's current claims are tied to a particular machine – that being a computer as is required by the first branch of the machine-or-transformation test. Accordingly, Applicant's claims encompass statutory subject matter under Section 101.

**(ii) Alternatively, Applicant's contractor certification system for obtaining lines of credit for a building contractor as required by claims 1, 2 and 4 – 13 transforms a particular article into a different state or thing and is therefore eligible for patent protection.**

Applicant's claims also meet the second branch of the machine-or-transformation test, because the claimed process transforms an article into a different state or thing, and the transformation is central to the purpose of the claimed process. *Bilski* at 962. Like in *Abele*, as cited by *Bilski*, Applicant's system provides for the electronic transformation of data itself into a

visual depiction, and constituting transformation of an article into a different state or thing. The “article” in Applicant’s claims, like in *Abele*, is data entered into the database of the system. The “article” or data of Applicant’s claims is then transformed into a different state or thing, like in *Abele*, in that it is transformed into a visual depiction represented as a grade indicative of the contractor’s rank via a comparative report. This transformation required by Applicant’s claims is central to the purpose of Applicant’s claimed process, that being to provide a grade for sureties to utilize in considering whether to allow a contractor obtain a line of credit. Accordingly, Applicant’s current claims yield a process eligible for patent protection as it transforms a particular article (electronic data) into a different state or thing (a grade and comparative report) as required by the second branch of the machine-or-transformation test clarified in *Bilski*.

Under the recent holding in *Bilski*, Applicant’s claims provide a process eligible for protection under 35 USC 101 because Applicant’s claims are tied to a particular machine or apparatus (a computer), OR, alternatively, Applicant’s claims yield a process which transforms a particular article (electronic data) into a different state or thing (a grade and comparative report).

**(iii) Alternatively, even if *Bilski* is found inapplicable to the claims herein, Applicant’s contractor certification system for obtaining lines of credit for a building contractor as required by claims 1, 2 and 4 – 13 meets the statutory requirements of 35 U.S.C. §101 under the “useful, concrete, and tangible results” test**

Even in applying the previous interpretation of 35 U.S.C. 101, abrogated by *Bilski*, that the invention produces a “useful, concrete, and tangible result”, Applicant’s claims would still be rendered patentable. Lack of usefulness has been held to exist in one of two forms: where it is not apparent why the invention is “useful” occurring when an applicant fails to

identify any specific and substantial utility for the invention, or, in the *rare instance* where an assertion of specific and substantial utility for the invention made by an applicant is not credible. MPEP 2107.01. *Brenner v. Manson*, 383 U.S. 519, 148 USPQ 689 (1966); *In re Fisher*, 421 F.3d 1365, 76 USPQ2d 1225 (Fed. Cir. 2005); *In re Ziegler*, 992 F.2d 1197, 26 USPQ2d 1600 (Fed. Cir. 1993).

According to the MPEP 2107.01(I)(B), "any reasonable use that an applicant has identified for the invention that can be viewed as providing a public benefit should be accepted as sufficient, at least with regard to defining a "substantial" utility." MPEP 2107.01(I)(B). An invention that is "inoperative" (i.e., it does not operate to produce the results claimed by the patent applicant) is not a "useful" invention in the meaning of the patent law. See, e.g., *Newman v. Quigg*, 877 F.2d 1575, 1581, 11 USPQ2d 1340, 1345 (Fed. Cir. 1989).

However, as the Federal Circuit has stated, "[t]o violate [35 U.S.C.] 101 the claimed device must be totally incapable of achieving a useful result." *Brooktree Corp. v. Advanced Micro Devices, Inc.*, 977 F.2d 1555, 1571, 24 USPQ2d 1401, 1412 (Fed. Cir. 1992) (emphasis added). See also *E.I. du Pont De Nemours and Co. v. Berkley and Co.*, 620 F.2d 1247, 1260 n.17, 205 USPQ 1, 10 n.17 (8th Cir. 1980) ("A small degree of utility is sufficient . . . The claimed invention must only be capable of performing some beneficial function . . . An invention does not lack utility merely because the particular embodiment disclosed in the patent lacks perfection or performs crudely . . . A commercially successful product is not required . . . Nor is it essential that the invention accomplish all its intended functions . . . or operate under all conditions . . . partial success being sufficient to demonstrate patentable utility . . . In short, the defense of non-utility cannot be sustained without proof of total incapacity." ). MPEP 2107.01(II).

Clearly, Applicant's claimed invention provides a useful process as Applicant has identified a specific and substantial utility for the invention – which is credible – that being to provide a contractor certification system for obtaining lines of credit for a building contractor.

**(iv) Applicant's contractor certification system for obtaining lines of credit for a building contractor as required by claims 1, 2 and 4 – 13 does not encompass a human**

A human is not claimed nor encompassed in Applicant's claims as the Examiner postulates. The Examiner's position that a human is claimed, based on the Examiner's "broadest reasonable interpretation of the claimed invention as a whole", is *overly broad*. For, based on this interpretation virtually every process or method would encompass a human.

The claimed system requires a series of steps be performed and does not encompass a human *per se*. In *Prometheus Labs., Inc. v. Mayo Collaborative Servs.*, 2009 U.S. App. LEXIS 20623 (Fed. Cir. Sept. 16, 2009) the Court found that claimed methods for calibrating the proper dosage of thiopurine drugs used for treating both gastrointestinal and non-gastrointestinal autoimmune diseases were patentable subject matter wherein it measured chemical and physical changes of the human body following administration. *Id.* at \*23. *Prometheus* actually involved measurements and physical changes of the *human body* it was not held to encompass non-statutory subject matter of a human. Although *Prometheus* concerned whether the process or method was transformative under *Bilski*, it involved a human element which the Court did not consider as encompassing same to render the claims based on non-patentable subject matter.

Applicant's claims do not encompass a human, to find so would render virtually every patent having process or method claims to encompass a human.

**(B) The contractor certification system of claims 1, 2, and 4-13 meet the enablement requirement under 35 U.S.C. §112, first paragraph**

The Examiner has rejected claims 1, 2 and 4 – 13 under 35 U.S.C. §112, first paragraph, as being based on a disclosure which is non-enabling on the following basis:

**The claimed invention recites a "mapping means" for examining and correlating answers, as well as "comparison means" for assessing business and financial practices. The disclosure does not specify how the answers are valued and used to "assess" business and financial practices. The specification merely discloses that "the Technical Evaluators study each answer to the questions, and derive there from a framework of directions that probe within the operations and financial practices of the contractor" [Page 16, lines 18-21] and that "the Technical Evaluators... examine the details of the answers and correlate them to determine clear matches, clear discrepancies and inadequate details" [Page 19, lines 1-3]. Thus, it appears that the "comparison means" is limited to subjectively reviewing survey answers with respect to completion and not content. The metes and bounds of the "comparison means" are therefore unclear because the results of these comparisons and assessments are based on the complete subjectivity of a human user (i.e., the Technical Evaluators). The specification does not provide adequate written disclosure to enable an artisan of ordinary skill in the art to make and/or use the invention as intended by the Applicant since the invention could be utilized differently by each human user in light of differences in subjectivity among humans. (Office Action of April 27, 2009, page 26, ¶20 cont'd).**

**Further, the metes and bounds of the "on-location assessment means" is unclear because the observation of the contractor's business practices and financial procedures seems to be subjective; in other words, there is no quantitative scoring performed based on observed practices and procedures. Therefore, the "comparison means" and ranking of the contractor are based on subjective evaluations. The reliance on a plurality of subjective measures renders the claimed invention. Thus, one of ordinary skill in the art would not be enabled to make, practice or use the claimed invention without undue experimentation. (Office Action of April 27, 2009, pages 26-27, ¶20 cont'd).**

**Claims 2 and 4-13 are dependent on claim 1 and thus are also rejected. (Office Action of April 27, 2009, page 27, ¶20 cont'd).**

The enablement requirement of first paragraph of 35 U.S.C. 112 necessitates that the specification describe the invention so that one skilled in the art can make and use the claimed invention. The information contained in the disclosure of an application must be sufficient to inform those skilled in the relevant art how to both make and use the claimed

invention. To comply with 35 U.S.C. 112, first paragraph, it is not necessary to "enable one of ordinary skill in the art to make and use a perfected, commercially viable embodiment absent a claim limitation to that effect." *CFMT, Inc. v. Yieldup Int'l Corp.*, 349 F.3d 1333, 1338, 68 USPQ2d 1940, 1944 (Fed. Cir. 2003) (an invention directed to a general system to improve the cleaning process for semiconductor wafers was enabled by a disclosure showing improvements in the overall system). Detailed procedures for making and using the invention may not be necessary if the description of the invention itself is sufficient to permit those skilled in the art to make and use the invention. MPEP 2164.

Any analysis of whether a particular claim is supported by the disclosure in an application requires a determination of whether that disclosure, when filed, contained sufficient information regarding the subject matter of the claims as to enable one skilled in the pertinent art to make and use the claimed invention. The standard for determining whether the specification meets the enablement requirement was cast in the Supreme Court decision of *Mineral Separation v. Hyde*, 242 U.S. 261, 270 (1916) which postured the question: is the experimentation needed to practice the invention undue or unreasonable? *In re Wands*, 858 F.2d 731, 737, 8 USPQ2d 1400, 1404 (Fed. Cir. 1988). Accordingly, even though the statute does not use the term "undue experimentation," it has been interpreted to require that the claimed invention be enabled so that any person skilled in the art can make and use the invention without undue experimentation. *In re Wands*, 858 F.2d at 737, 8 USPQ2d at 1404 (Fed. Cir. 1988). A patent need not teach, and preferably omits, what is well known in the art. *In re Buchner*, 929 F.2d 660, 661, 18 USPQ2d 1331, 1332 (Fed. Cir. 1991).

What is more, any part of the specification can support an enabling disclosure, even a background section that discusses, or even disparages, the subject matter disclosed therein. *Callicrate v. Wadsworth Mfg., Inc.*, 427 F.3d 1361, 77 USPQ2d 1041 (Fed. Cir. 2005)(discussion of problems with a prior art feature does not mean that one of ordinary skill in the art would not know how to make and use this feature). Determining enablement is a question of law based on underlying factual findings. *In re Vaeck*, 947 F.2d 488, 495, 20 USPQ2d 1438, 1444 (Fed. Cir. 1991); *Atlas Powder Co. v. E.I. du Pont de Nemours & Co.*, 750 F.2d 1569, 1576, 224 USPQ 409, 413 (Fed. Cir. 1984).

The fact that experimentation may be complex does not necessarily make it undue, if the art typically engages in such experimentation. *In re Certain Limited-Charge Cell Culture Microcarriers*, 221 USPQ 1165, 1174 (Int'l Trade Comm'n 1983), *aff'd. sub nom.*, *Massachusetts Institute of Technology v. A.B. Fortia*, 774 F.2d 1104, 227 USPQ 428 (Fed. Cir. 1985). See also *In re Wands*, 858 F.2d at 737, 8 USPQ2d at 1404. The test of enablement is not whether any experimentation is necessary, but whether, if experimentation is necessary, it is undue. *In re Angstadt*, 537 F.2d 498, 504, 190 USPQ 214, 219 (CCPA 1976). Factors to be considered when determining whether the enablement requirement has been satisfied include: (A) the breadth of the claims; (B) the nature of the invention; (C) the state of the prior art; (D) the level of one of ordinary skill; (E) the level of predictability in the art; (F) the amount of direction provided by the inventor; (G) the existence of working examples; and (H) the quantity of experimentation needed to make or use the invention based on the content of the disclosure. *In re Wands*, 858 F.2d 731, 737, 8 USPQ2d 1400, 1404 (Fed. Cir. 1988).

**(i) The enablement requirement of first paragraph of 35 U.S.C. 112 has been satisfied because the specification describes the invention as required in claim 1, as well as claims 2 and 4 – 13 dependant thereon, so that one skilled in the art can make and use the claimed invention without undue experimentation**

The claimed invention recites a "mapping means" for examining and correlating answers, as well as "comparison means" for assessing business and financial practices; the Examiner maintains that the disclosure does not specify how the answers are valued and used to "assess" business and financial practices. However, in considering the specification as filed, the level of one of ordinary skill in the art, and the low level of experimentation needed to make or use the invention based on the disclosure, it is clear that the enablement requirement has been met.

The specification as filed discusses the state of the prior art, setting forth that many approaches have been disclosed for evaluating home builders, workers and contractors and discussing their intending problems. (Specification, page 1, lines 11 – 13). These evaluation approaches do not rate contractors to provide sureties with underwriting information comprised of capability assessments and performance factors. (Specification, page 1, lines 11 – 13). For example, the Specification discusses US Patent 5,909,669 to Havens which is provided in the Specification as disclosing a system and method for generating a knowledge worker productivity assessment, which includes a benchmark database containing survey data generated using a knowledge worker productivity assessment framework coupled with a retriever selected survey data and benchmark values. Havens teaches a calculator is coupled to the retriever and generates a comparison value using the selected survey data. A relator in Havens compares the comparison

value to a selected benchmark value to generate a knowledge worker productivity assessment. The system in Havens assesses worker productivity from collected survey data and compares the collected data with benchmark values based on set criteria. However, the system in Havens does not probe into the operation and business practices of the contractor to determine surety and lender risks. In addition, the Haven's disclosure does not suggest providing a meaningful certification as is required by Applicant's claims. (Specification, page 1, lines 14 – 24 onto page 2, lines 1 – 2). Another example can be found directly in the Specification in the discussion relating to US Patent Application No. 2002/0147708 to Thomas et al discloses a system for providing business information. (Specification, page 7, lines 21 – 24 onto page 7, lines 1 – 11).

[Thomas teaches] a data structure is used to communicate contractor business information to outsourcing companies. Contractors provide information regarding their products and services into the system. Outsourcing companies search a database containing contractor information to determine which contractor meets particular search criteria. Selected contractors receive project information and, optionally, a bid template. Bid information is supplied to the database operator. The operator prepares a table of bid information that is sent to the outsourcing companies for review. Evaluation information relating to contractors and outsourcing companies is obtained from both outsourcing companies and contractors and stored on a database. The evaluation information is provided to outsourcing companies and contractors as part of the bid and project information. This is a system for providing contractor business information to outsourcing companies, the information provided is a list of contractors that match specified criteria. The system disclosed by the '708 patent application is not a contractor certification system; it does not probe into the operation and business practices of the contractor to determine surety and lender risks. (Specification, page 7, lines 21 – 24 onto page 7, lines 1 – 11).

These and other references referred to in the Specification on pages 1 – 12 demonstrate the state in the art. That is to say, "mapping means" for examining and correlating answers, as well as "comparison means" for assessing business and financial practices is known in the art. However,

the combination of these features, along with the other features as claimed in Applicant's claim 1, as well as claims dependent thereon, is novel and provides a unique method for ranking construction companies for surety lending.

What is more, the Examiner *consistently* throughout this prosecution has maintained that Bladen et al. (Patent Application No. #US2002/0099586A1), although no longer applied against Applicant's claims, teaches "*mapping means*". For example, *See* Office Action dated April 27, 2007: "*Bladen et al. teaches a risk assessment system using mapping means*". Furthermore, the Examiner has asserted Official Notice on numerous of facts, *including* setting forth that "It is old and well known in the art" . . . "that results derived from a questionnaire or auditing process are quantifiable and therefore allows a number of statistical means, including graphs, to be used in an analysis or *comparison*;" and that graphical representations of data can be used as *a method of comparison*. *See* Office Action dated April 27, 2007.

Accordingly, Applicant respectfully submits that in considering the specification as filed, the level of one of ordinary skill in the art, and the low level of experimentation needed to make or use the invention based on the disclosure, it is clear that the enablement requirement has been met.

**(ii) The Examiner has failed to meet the initial burden for establishing a reasonable basis to question the enablement provided for the claimed invention**

In order to make a rejection, the examiner has the initial burden to establish a reasonable basis to question the enablement provided for the claimed invention. *In re Wright*, 999 F.2d 1557, 1562, 27 USPQ2d 1510, 1513 (Fed. Cir. 1993) (examiner must provide a

reasonable explanation as to why the scope of protection provided by a claim is not adequately enabled by the disclosure). A specification disclosure which contains a teaching of the manner and process of making and using an invention in terms which correspond in scope to those used in describing and defining the subject matter sought to be patented must be taken as being in compliance with the enablement requirement of 35 U.S.C. 112, first paragraph, unless there is a reason to doubt the objective truth of the statements contained therein which must be relied on for enabling support. Assuming that sufficient reason for such doubt exists, a rejection for failure to teach how to make and/or use will be proper on that basis. *In re Marzocchi*, 439 F.2d 220, 224, 169 USPQ 367, 370 (CCPA 1971). As stated by the court, "it is incumbent upon the Patent Office, whenever a rejection on this basis is made, to explain *why* it doubts the truth or accuracy of any statement in a supporting disclosure and to back up assertions of its own with acceptable evidence or reasoning which is inconsistent with the contested statement. Otherwise, there would be no need for the applicant to go to the trouble and expense of supporting his presumptively accurate disclosure." 439 F.2d at 224, 169 USPQ at 370. What is more, the MPEP directs that "the examiner should always look for enabled, allowable subject matter and communicate to applicant what that subject matter is at the earliest point possible in the prosecution of the application." MPEP 2164.04.

Herein, Applicant respectfully submits that, in considering the application as a whole and the state of the art, the Examiner has failed to meet the initial burden to establish a reasonable basis to question the enablement provided for the claimed invention. As set forth hereinabove, the Specification discusses art related to mapping means and comparative analysis. Further, one of ordinary skill in the art – being an accountant or auditor of some sort – would

clearly understand how to map results and compare results. Undue experimentation would not be needed to practice the invention by one skilled in the art of accounting and / or auditing / or in the actuary sciences in general.

Accordingly, Applicant respectfully submits that the Examiner's initial burden of proof as to lack of enablement has not been met.

**(C) Applicant's disclosure is enabling and therefore claims 1, 2, and 4-13 are patentable under 35 U.S.C. §112, second paragraph**

The Examiner has rejected claims 1, 2 and 4 – 13 under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention, setting forth as follows:

..., the claimed invention is directed to a system, but recites a plurality of method/process claims. Therefore, it is unclear what statutory class of invention the claimed invention is directed towards. (Office Action of April 27, 2009, page 28, ¶22 cont'd).

As noted above, the claimed invention recites a plurality of "means for" surveying, mapping, on-location assessment, comparison, and reporting. The cited "means for" are not modified by sufficient structure, material or acts for achieving the specified function. Further, the specification does not disclose the *structure* that enables the "means for" achieving the specified functions; therefore, it is unclear that one skilled in the art would have known what structure, material, or acts perform the functions recited by the "means", thereby rendering the claim indefinite because without knowing the particular structure, material or acts to the perform the "means for" functions, the scope of the claimed invention cannot be determined. (Office Action of April 27, 2009, page 28, ¶22 cont'd).

Limitation (a) of claim 1 sets forth that a questionnaire is provided to selected candidates "within different organizational levels" of a contractor. However, it is unclear whether "different organizational levels" is directed towards the organizational hierarchy (i.e., worker,

manager, management, CEO, etc.) or different organizational groups/divisions (i.e., accounting division, marketing division, production/manufacturing division, etc.). For examination purposes whilst employing the broadest reasonable interpretation, both possibilities are equally applicable. Clarification is required. (Office Action of April 27, 2009, page 29, ¶22 cont'd).

Limitation (c) of claim 1 sets forth that survey answers are examined to determine matches, discrepancies and inadequate details. However, it is unclear what the answers are compared to in order to determine what is a match, what is a discrepancy, and what constitutes inadequate details. For example, is checking the survey for completion (i.e., is every question answered?) the scope of "inadequate details"? In another example, are the answers mapped to a set of expected or acceptable range of responses to determine matches? Are the answers mapped to a historical set of responses to determine discrepancies? It is unclear that one skilled in the art would have known how to study the answers provided in the questionnaire to determine matches, discrepancies and inadequate details, thereby rendering the claim indefinite because without knowing the particular structure, standards or methodology used to perform the "mapping means", the scope of the claimed invention cannot be determined. Clarification is required. (Office Action of April 27, 2009, page 29, ¶22 cont'd).

Further regarding claim 1, as per limitation (a), the survey questionnaire obtains information comprising management structure, reporting structure, internal communications procedures, safety and labor management practices, current projects, funding, gross margins and close out procedures, whereas the risk factors comprising the report of limitation (f) includes operational structure, marketing of new projects, current projects, details of project execution, safety procedures, statutory compliance, project administration, mediation/arbitration procedures and past litigation. It is unclear whether information for each of the risk factors of limitation (f) are collected in the survey questionnaire of limitation (a). It is unclear how the information collected from the survey maps to each of the risk factors of the report; for example, although it stands to reason that "safety and labor management practices" of the questionnaire map to the risk factor "safety procedures", it is unclear what information from the questionnaire is directed towards "past litigation". Clarification is required. (Office Action of April 27, 2009, page 30, ¶22 cont'd).

**Claims 2 and 4-13 are dependent on claim 1 and thus are also rejected.  
(Office Action of April 27, 2009, page 30, ¶22 cont'd).**

**The means-plus-function limitations of claim 1 lack sufficient disclosure of structure under 35 USC 112, 6th paragraph, and are therefore indefinite under 35 USC 112, 2nd paragraph. Aristocrat Technologies v. International Game Technology, 86 USPQ2d 1235 (Fed. Cir. 2008). (Office Action of April 27, 2009, page 30, ¶22 cont'd).**

The second paragraph of 35 USC 112 requires a claim to particularly point out and distinctly claim the subject matter which the appellant regards as his invention. To satisfy the written description requirement, a patent specification must describe the claimed invention in sufficient detail that one skilled in the art can reasonably conclude that the inventor had possession of the claimed invention. See, e.g., *Moba, B.V. v. Diamond Automation, Inc.*, 325 F.3d 1306, 1319, 66 USPQ2d 1429, 1438 (Fed. Cir. 2003); *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d at 1563, 19 USPQ2d at 1116. However, a showing of possession alone does not cure the lack of a written description. *Enzo Biochem, Inc. v. Gen-Probe, Inc.*, 323 F.3d 956, 969-70, 63 USPQ2d 1609, 1617 (Fed. Cir. 2002). It is now well accepted that a satisfactory description may be in the claims or any other portion of the originally filed specification. MPEP 2163.

**(i) The question of whether a claim encompasses statutory subject matter should not focus on which categories of subject matter a claim is directed, and therefore a rejection under 112, second paragraph based lack of clarity as to what statutory class of invention the claimed invention is directed towards is improper**

The Examiner has stated that the claimed invention is directed to a system, but recites a plurality of method / process claims and therefore it is unclear what statutory class of invention the claimed invention is directed towards. "The question of whether a claim encompasses statutory subject matter should not focus on which of the four categories of subject

matter a claim is directed to--process, machine, manufacture, or composition of matter--but rather on the essential characteristics of the subject matter, in particular, its practical utility."

*State St. Bank & Trust Co. v. Signature Fin. Group*, 149 F.3d 1368, 1375 (Fed. Cir. 1998).

The plain and unambiguous meaning of § 101 is that any invention falling within one of the four stated categories of statutory subject matter may be patented, provided it meets the other requirements for patentability set forth in Title 35, i.e., those found in §§ 102, 103, and 112. *Id.* at 1372. In *State St.* independent claim 1, as construed in accordance with § 112, was found to be directed to a machine, where claim 1 set forth "a data processing system for managing financial services" and the system comprised "means" recited in the claim. *Id.* at 1371-1372. The Court stated that each claim component, recited as a "means" plus its function, is to be read, of course, pursuant to §112, as inclusive of the "equivalents" of the structures disclosed in the written description portion of the specification, and thus, claim 1, properly construed, claims a machine, namely, a data processing system for managing a financial services configuration of a portfolio established as a partnership, which machine is made up of, at the very least, the specific structures disclosed in the written description and corresponding to the means-plus-function elements (a)-(g) recited in the claim. *Id.* at 1372.

The claims herein recite a contractor certification system for obtaining lines of credit for a building contractor comprising: survey means; mapping means; on-location assessment means; comparison means; and reporting means. In analyzing the specification as a whole, it is apparent that, like in *State St.*, the claims herein can be considered machine claims under §101. However, as set forth in *State St.*, focus is not required on which of the four categories a claim is directed to as long as it is apparent that the claim falls within at least one of

the categories. "Means" plus its function, is to be read pursuant to §112 as inclusive of the "equivalents" of the structures disclosed in the written description portion of the specification.

**(ii) The cited "means for" are modified by sufficient structure, material or acts for achieving the specified function and the specification discloses the *structure* that enables the "means for" achieving the specified functions, rendering the claim definite**

Survey means is required as a questionnaire in the claims, which in turn is defined in the specification. Mapping means is defined in the specification on page 19, lines 19-23, setting forth that the completed questionnaires are sent to Construction Risk Technology, the evaluating company, and referring to step 12 in Fig. 1, the Technical Evaluators of Construction Risk Technology examine the details of the answers and correlate them to determine clear matches, clear discrepancies and inadequate details. Based on this analysis, the Technical Evaluators map out strategies for interviews and visits to several job site inspections. [Spec., pg. 19, ln. 19-23]. On-location assessment means is described in the application via specification page 20, lines 1-4. Comparison means is described in the application via specification page 20, lines 10 – 12. Reporting means is described in the application via specification page 20, lines 14 – 17. The specification is not required to be all inclusive in describing the equivalents. Accordingly, the claim is not rendered indefinite.

**(iii)Limitation (a) of claim 1 sets forth that a questionnaire is provided to selected candidates "within different organizational levels" of a contractor which is clearly defined in the Specification to include organizational hierarchy (i.e., worker, manager, management, CEO, etc.) and therefore same is not indefinite.**

The Examiner has stated that limitation (a) of claim 1 sets forth that a questionnaire is provided to selected candidates "within different organizational levels" of a contractor. However, the Examiner has requested clarification as to whether these different levels are directed to the organizational hierarchy or groups / division. As defined in the specification, the "different organization levels" are directed to the organizational hierarchy, as candidates may be drawn from different organizational levels and can comprise workers, foremen, project managers, engineers and principals. [See specification, page 17, lines 1-2].

**(iv)Limitations of claim 1 involving survey answers and questions are not indefinite**

The Examiner has stated that limitation (c) of claim 1 sets forth that survey answers are examined to determine matches, discrepancies and inadequate details. However, it is unclear what the answers are compared to in order to determine what is a match, what is a discrepancy, and what constitutes inadequate details. The answers submitted by the candidates in the given company are compared to one another, and the details of the answers are correlated to determine matches, discrepancies and inadequate details. [See specification, page 17, lines 11-23] ("In Fig.1 there is shown generally at step 10 a schematic representation of the steps in the contractor certification process. ... Referring to step 11, a questionnaire relating to contractor's business is sent to a number of selected candidates within the contractor's business.

These candidates may include workers, foremen, project managers, engineers and principals. ... Depending on their roles in the organization, these candidates may submit substantially different answers and reference divergent illustrative incidents. Completed questionnaires are sent to Construction Risk Technology, the evaluating company. Referring to step 12, the Technical Evaluators of Construction Risk Technology examine the details of the answers and correlate them to determine clear matches, clear discrepancies and inadequate details. Based on this analysis, the Technical Evaluators map out strategies for interviews and visits to several job site inspections.”). The evaluators map out strategies and set up interviews with targeted employees or principals probing specific areas.

Further, as to claim 1 limitation (a), the survey questionnaire obtains information comprising management structure, reporting structure, internal communications procedures, etc., whereas the risk factors comprising the report of limitation (f) includes operational structure, etc. The Examiner has stated that it is unclear whether information for each of the risk factors of limitation (f) are collected in the survey questionnaire of limitation (a). Information for each of the risk factors of limitation (f) are collected in the survey questionnaire of limitation (a). Specifically, see Fig. 2 – Figs. 3a-3c.

**(v) The means-plus-function limitations of claim 1 does not lack sufficient disclosure of structure under 35 USC 112, 6th paragraph, and is therefore definite under 35 USC 112, 2nd paragraph.**

The USPTO must apply 35 U.S.C. 112, sixth paragraph in appropriate cases, and give claims their broadest reasonable interpretation, in light of and consistent with the written

description of the invention in the application. MPEP 2181. A claim limitation will be presumed to invoke 35 U.S.C. 112, sixth paragraph, if it meets the following 3-prong analysis: (A) the claim limitations must use the phrase "means for" or "step for;" (B) the "means for" or "step for" must be modified by functional language; and (C) the phrase "means for" or "step for" must not be modified by sufficient structure, material, or acts for achieving the specified function. MPEP 2181. Once 35 U.S.C. 112, sixth paragraph, is invoked, the proper test for meeting the definiteness requirement is that the corresponding structure (or material or acts) of a means (or step)-plus-function limitation must be disclosed in the specification itself in a way that one skilled in the art will understand what structure (or material or acts) will perform the recited function.

**(a) Invocation of 35 U.S.C. 112, sixth paragraph, is improper**

With respect to the second prong of this analysis, it must be clear that the element in the claims is set forth, at least in part, by the function it performs as opposed to the specific structure, material, or acts that perform the function. See *York Prod., Inc. v. Central Tractor Farm & Family Center*, 99 F.3d 1568, 1574, 40 USPQ2d 1619, 1624 (Fed. Cir. 1996) (holding that a claim limitation containing the term "means" does not invoke 35 U.S.C. 112, sixth paragraph, if the claim limitation does not link the term "means" to a specific function).

Not every process claim containing steps described by an "ing" verb is treated under §112, 6<sup>th</sup> paragraph. If every process claim containing steps described by an 'ing' verb, such as passing, heating, reacting, transferring, etc., were construed into a step-plus-function, we

would be limiting process claims in a manner never intended by Congress." MPEP 2181. However, "the fact that a particular mechanism is defined in functional terms is not sufficient to convert a claim element containing that term into a 'means for performing a specified function' within the meaning of section 112(6)." *Greenberg v. Ethicon Endo-Surgery, Inc.*, 91 F.3d 1580, 1583, 39 USPQ2d 1783, 1786 (Fed. Cir. 1996) ("detent mechanism" defined in functional terms was not intended to invoke 35 U.S.C. 112, sixth paragraph). See also *Al-Site Corp. v. VSI International Inc.*, 174 F.3d 1308, 1318, 50 USPQ2d 1161, 1166-67 (Fed. Cir. 1999) (although the claim elements "eyeglass hanger member" and "eyeglass contacting member" include a function, these claim elements do not invoke 35 U.S.C. 112, sixth paragraph, because the claims themselves contain sufficient structural limitations for performing those functions).

Applicant's claim 1 does not fall within the second prong of the test because the "means for" or "step for" is not modified by functional language. Applicants claimed "survey means", "mapping means", "on-location assessment means", "comparison means" and "reporting means" is not modified by functional language. With respect to process claims 112, sixth paragraph, is only implicated when steps plus function without acts are present. Herein 112, sixth paragraph is not implicated because the steps plus function with acts are present. *Caterpillar Inc. v. Detroit Diesel Corp.*, 41 USPQ2d 1876, 1882 (N.D. Ind. 1996) (35 U.S.C. 112, sixth paragraph, "applies to functional method claims where the element at issue sets forth a step for reaching a particular result, but not the specific technique or procedure used to achieve the result."); *O.I. Corp.*, 115 F.3d at 1582-83, 42 USPQ2d at 1782 (With respect to process claims, "[35 U.S.C. 112, sixth paragraph] is implicated only when steps *plus function* without acts are present.

With respect to the third prong of this analysis, see *Seal-Flex*, 172 F.3d at 849, 50 USPQ2d at 1234 (Radar, J., concurring) ("Even when a claim element uses language that generally falls under the step-plus-function format, however, 112 ¶ 6 still does not apply when the claim limitation itself recites sufficient acts for performing the specified function."); *Envirco Corp. v. Clestra Cleanroom, Inc.*, 209 F.3d 1360, 54 USPQ2d 1449 (Fed. Cir. 2000) (holding "second baffle means" does not invoke 35 U.S.C. 112, sixth paragraph, because the word "baffle" itself imparts structure and the claim further recites the structure of the baffle); *Rodime PLC v. Seagate Technology, Inc.*, 174 F.3d 1294, 1303-04, 50 USPQ2d 1429, 1435-36 (Fed. Cir. 1999) (holding "positioning means for moving" does not invoke 35 U.S.C. 112, sixth paragraph, because the claim further provides a list of the structure underlying the means and the detailed recitation of the structure for performing the moving function removes this element from the purview of 35 U.S.C. 112, sixth paragraph); *Cole v. Kimberly-Clark Corp.*, 102 F.3d 524, 531, 41 USPQ2d 1001, 1006 (Fed. Cir. 1996) (holding "perforation means for tearing" does not invoke 35 U.S.C. 112, sixth paragraph, because the claim describes the structure supporting the tearing function (i.e., perforation)). In other cases, the Federal Circuit has held otherwise. Thus, if the phrase "means for" or "step for" is modified by sufficient structure, material or acts for achieving the specified function, the USPTO will not apply 35 U.S.C. 112, sixth paragraph, until such modifying language is deleted from the claim limitation.

Applicant's claim 1 does not fall within the third prong of the test because the phrase "means for" or "step for" is modified by sufficient structure, material, or acts for achieving the specified function.

Accordingly, invocation of 112, sixth paragraph, is improper.

**(b) Even if invocation of 35 U.S.C. 112, sixth paragraph, is improper, the test for definiteness is still met as being disclosed in the specification in a way that one skilled in the art will understand what structure will perform the recited function**

Even if 112, sixth paragraph, is invoked, proper disclosure is provided in the specification itself so that one skilled in the art will understand what structure will perform the recited function. The proper test for meeting the definiteness requirement is that the corresponding structure (or material or acts) of a means (or step)-plus-function limitation must be disclosed in the specification itself in a way that one skilled in the art will understand what structure (or material or acts) will perform the recited function. MPEP 2181. [See discussion hereinabove in regards to sections (A) and (B), which is hereby incorporated in by reference].

The enablement requirement of first paragraph of 35 U.S.C. 112 necessitates that the specification describe the invention so that one skilled in the art can make and use the claimed invention. The information contained in the disclosure of an application must be sufficient to inform those skilled in the relevant art how to both make and use the claimed invention. To comply with 35 U.S.C. 112, first paragraph, it is not necessary to "enable one of ordinary skill in the art to make and use a perfected, commercially viable embodiment absent a claim limitation to that effect." *CFMT, Inc. v. Yieldup Int'l Corp.*, 349 F.3d 1333, 1338, 68 USPQ2d 1940, 1944 (Fed. Cir. 2003) (an invention directed to a general system to improve the cleaning process for semiconductor wafers was enabled by a disclosure showing improvements in the overall system). Detailed procedures for making and using the invention may not be

necessary if the description of the invention itself is sufficient to permit those skilled in the art to make and use the invention. MPEP 2164.

Any analysis of whether a particular claim is supported by the disclosure in an application requires a determination of whether that disclosure, when filed, contained sufficient information regarding the subject matter of the claims as to enable one skilled in the pertinent art to make and use the claimed invention. The standard for determining whether the specification meets the enablement requirement was cast in the Supreme Court decision of *Mineral Separation v. Hyde*, 242 U.S. 261, 270 (1916) which postured the question: is the experimentation needed to practice the invention undue or unreasonable? *In re Wands*, 858 F.2d 731, 737, 8 USPQ2d 1400, 1404 (Fed. Cir. 1988). Accordingly, even though the statute does not use the term "undue experimentation," it has been interpreted to require that the claimed invention be enabled so that any person skilled in the art can make and use the invention without undue experimentation. *In re Wands*, 858 F.2d at 737, 8 USPQ2d at 1404 (Fed. Cir. 1988). A patent need not teach, and preferably omits, what is well known in the art. *In re Buchner*, 929 F.2d 660, 661, 18 USPQ2d 1331, 1332 (Fed. Cir. 1991).

What is more, any part of the specification can support an enabling disclosure, even a background section that discusses, or even disparages, the subject matter disclosed therein. *Callicrate*, 427 F.3d 1361. The specification as filed discusses the state of the prior art, setting forth that many approaches have been disclosed for evaluating home builders, workers and contractors and discussing their intending problems. (Specification, page 1, lines 11 – 13). These evaluation approaches do not rate contractors to provide sureties with underwriting

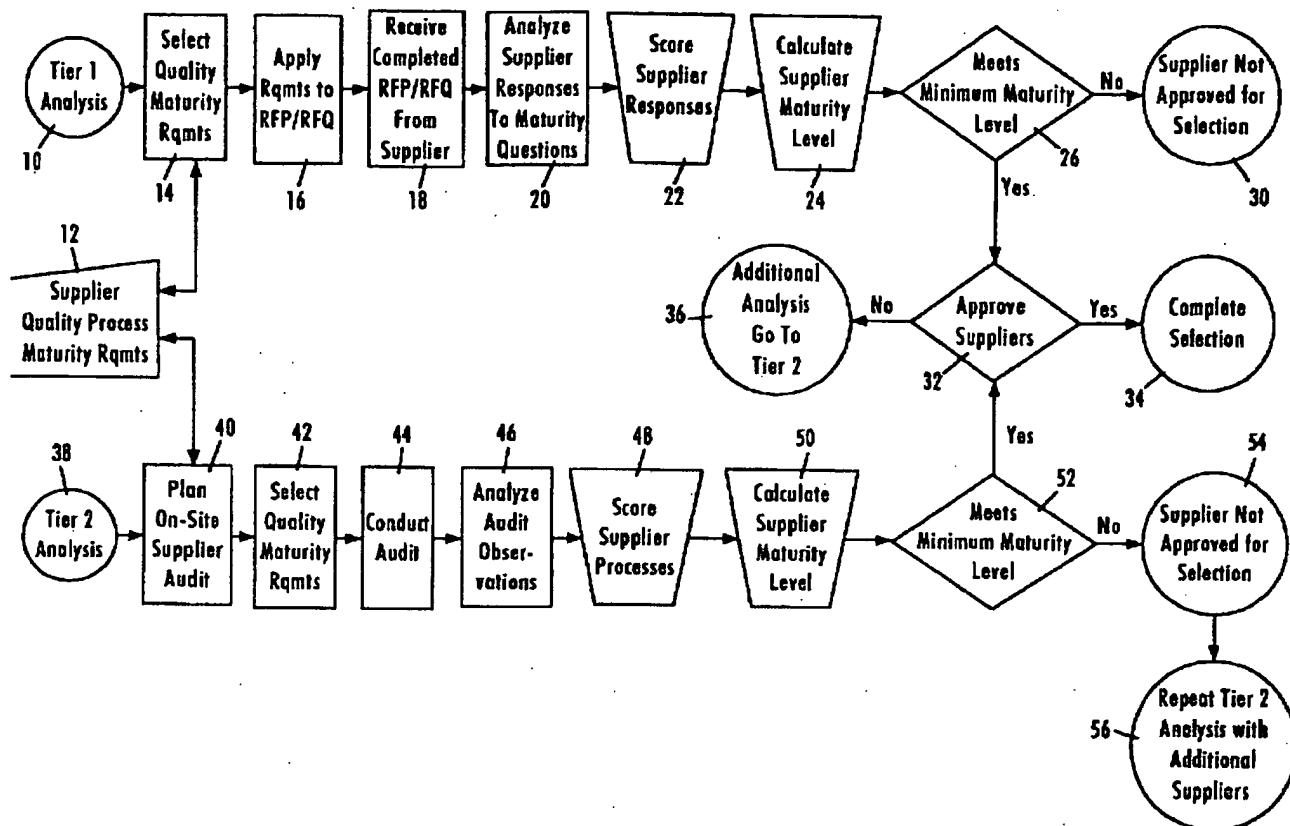
information comprised of capability assessments and performance factors. (Specification, page 1, lines 11 – 13).

Accordingly, even if 112, sixth paragraph, is invoked, the test for definiteness is still met as being disclosed in the specification in a way that one skilled in the art will understand what structure will perform the recited function.

**(D) Applicant's claim 1, 2, 4, 5, 7, 8, 9, 12 and 13 are not obvious under 35 U.S.C. §103(a) over Aycock et al., in view of GuruNet, the Utah Research Handbook reference, the Nielson Environmental Field School reference and Yadav-Ranjan**

The Examiner has rejected claims 1, 2, 4, 5, 7, 8, 9, 12 and 13 under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,765,138 to Aycock et al., in view of GuruNet's "Business Evaluation Statements", further in view of the Award Expiration/Closeout section of the University of Utah Research Handbook reference, the "Field Team Audits" by The Nielson Environmental Field School reference and U.S. Patent Application Publication No. 2004/0059592 to Yadav-Ranjan. *See* April 27, 2009 Office Action, pages 32-46.

Aycock et al. discloses an apparatus and method for providing interactive evaluation of potential vendors. A flow chart of the supplier quality maturity assessment process according to the apparatus and method is readily visualized in the depictions of Fig. 1 of Aycock et al., which is reproduced below for the convenience of the Board.



(Ayccock et al., US Patent 5,765,138)

With reference to Fig. 1, a tier 1 analysis in step 10 begins with establishing a master set of supplier quality process maturity requirements in step 12, which may be established from a known set of quality process standards. [Col. 5, lines 19 – 36]. The tier 1 analysis continues to step 14 where quality maturity requirements are selected from the set of requirements established in step 12 in accordance with project requirements. [Col. 5, lines 44 – 47]. After the necessary quality maturity requirements have been selected in step 14, the process continues at step 16 to apply the requirements to the request for proposal/request for quotation (RFP/RFQ), which includes requirements for technical specifications, price and availability,

service and support and the selected quality maturity requirements from step 14. [Col. 5, lines 66 – 67 onto Col. 6, lines 1 – 5]. The completed RFP/RFQ in step 16 is disseminated to suppliers that desire to be qualified as vendors for the identified project. [Col. 6, lines 5 – 7]. The completed RFP/RFQ is received from the supplier in step 18 and supplier responses to the maturity questions are analyzed in step 20. [Col. 6, lines 7 – 10]. A score is given in relation to responses in step 22, and a supplier maturity level is calculated in step 24. [Col. 7, lines 14 – 16]. Upon calculating the supplier maturity level in step 24, it is then determined in step 26 whether the supplier meets the minimum maturity level. [Col. 7, lines 38 – 40]. Preferably, the minimum maturity level is set at either a level 2 maturity level for a repeatable process, or a level 3 maturity level for a standardized process. [Col. 7, lines 40 – 43]. If the supplier does not meet the minimum maturity level in step 26, the supplier is automatically rejected in step 30. [Col. 7, lines 43 – 45]. Significantly, if however it is determined in step 26 that the supplier meets the minimum maturity level, then an *interim decision is made in step 32* whether to automatically approve the supplier. [Col. 7, lines 46 – 49, emphasis added by appellant] without any further analysis, onsite or otherwise.

Moreover, if there are only one or two suppliers that are to be qualified as vendors, the process may end at step 26, again foregoing any further analysis. [Col. 7, lines 54 – 56]. Typically, however, the supplier evaluation may be part of an overall competitive *bidding* scenario – which, in that case, additional suppliers may be compared and analyzed to obtain at least one qualified vendor. [Col. 7, lines 56 – 59]. Thus, *if it is determined in step 32 that an automatic approval of a supplier cannot be made, then an additional tier 2 analysis is performed*, namely performance of an on-site supplier audit to validate the supplier responses,

and to gain any additional information necessary to complete the supplier selection process. [Col. 7, lines 59 – 65, emphasis added by appellant]. Step 38 identifies the beginning of the tier 2 analysis for an on-site supplier audit. [Col. 7, lines 66 – 67 onto Col. 8, lines 1 – 2]. The relevant supplier quality process maturity requirements are selected in step 40 from the set of maturity requirements established in step 12, additional requirements may be selected to supplement the maturity questions generated for the RFP/RFQ in steps 14, 16 and 18 for a more detailed maturity requirements selected in step 42 concerning the function of validating the supplier responses, and identifying the detailed quality control procedures used by the supplier. [Col. 8, lines 2 – 11]. After the quality maturity requirements have been selected in step 42, a physical audit at the supplier site (on-site audit) is conducted in step 44, typically performed by the purchasing agent and/or employees/consultants of the buying entity specialized in relevant fields, such as design engineers, quality control engineers, production engineers, and production control managers responsible for production scheduling. [Col. 8, lines 19 – 27].

GuruNet discloses a list of statements by which a business owner can evaluate his / her company. For the convenience of the Board, a copy of page 1 of GuruNet, including markings added by the Examiner, is reproduced below to illustrate a representative portion of the question types of GuruNet (GuruNet with Examiner's markups by way of the Office Action dated June 15, 2005).

RETAIL (top)	
1	We are constantly taking fresh initiatives to contact all potential customers for our products in our marketplace.
2	Our market strategy effectively differentiates us in the eyes of the customer.
3	We have an effective sales and marketing strategy to tap the most growing markets.
4	Our store layout and merchandizing are designed to effectively promote our products.
5	We are taking effective measures to improve our closing ratio on traffic coming into the store.
6	We effectively utilize direct mail to attract new customers.
7	Our customers are extremely pleased by the quality and speed of service which they receive from us.
8	Our store signage and product merchandising are neat, attractive, frequently varied, making it easy for customers to identify the features and price of every product.
9	We utilize effective systems to follow-up on every sale and obtain customer referrals.
10	We systematically monitor the impact of ads and promotions on store traffic and sales to evaluate their effectiveness.
11	Our marketing plan provides for an appropriate level and blend of print, radio, TV, other advertising to reach all potential customers in our market area.
12	The information that we give our customers is timely, accurate and appropriate to satisfy their level of needs.
13	We effectively complement our in-store sales efforts with sales and marketing efforts that reach a greater number and broader range of customers.
14	Every member of our sales staff knows how to listen to customers, win

(GuruNet)

GuruNet provides an internal self-evaluation of a business orchestrated by the owner in order to gain information on areas that need improvement. GuruNet provides a list of statements by which a business owner can evaluate his / her company. Significantly, appropriate list of questions are to be distributed to the staff, and *each statement is to be rated [by the individual filling out the evaluation] on a scale of 1 – 10*. The score is then tallied up and averaged to determine which areas need most improvement. From the results, the owner is to develop a plan to improve the most wanting areas. [Page 1, introductory paragraph, emphasis added by appellant].

Utah Research Handbook Reference discloses award management for government contractors. Specifically, the Utah Research Reference discusses Award Expiration / Closeout (§5.7) setting forth that a project must be competed at the end of the award period if the University is to receive completed reimbursement and detailing closeout procedures. Others areas discussed are Final Technical Report and Other Deliverables (§5.7.1), Final Financial Report, Contractor's Release, Refunds, and Claims (§5.7.2), Final Inventory Report and Title to Property (§5.7.3) and Patent and Invention Report (§5.7.4). Significantly, the reference deals with *awarding of government contracts* to the University and the policies and procedures governing the awards.

“Field Team Audits” by The Nielson Environmental Field School (reference 1-U) discloses an auditing procedure for conducting a field team audit. The audit is conducted by the principals of The Nielsen Environmental Field School. Where clients have multiple sites the sites to be audited are selected based on which field audits are being conducted in order to meet the objective of the audit. The audit yields a simple check list report or may yield a detailed technical evaluation of the sampling team being audited. In addition to written reports, photographic documentation of field activities can be included in the report. The reasons for conducting the audits are varied based on the specific client. The most common reasons for conducting an audit include: (i) for in-house field personnel, to: determine if SOPs are being followed; determine deficiencies in how SOPs have been prepared; determine any misunderstandings regarding SOPs; validate or dispute outside audit results; assist in the development of new SOPs; and conduct annual quality control checks; (ii) for contracted field service audits, to: determine if contractors are implementing approved SOPs; identify areas of

deficiency in field procedures; determine if there are any areas of confusion in the field; validate or dispute outside audit results; or determine if companies are receiving all services being invoiced by contractors.

Yadav-Ranjan (US 2004/0059592) discloses a system and method of contractor risk assessment scoring system (CRASS) using the internet, and computer software. The disclosure deals with a system and method with the process of automatically assessing the Risk associated with Construction Contractors (Contractor Risk Assessment Scoring System (CRASS)). The method comprises steps (a) implemented a computer software which features steps to create an information database including information elements, (b) provide mined Contractor data to automate valuation model system, (c) receiving Contractor valuation data from Public and Private Entities, (d) determining a maximum allowable score by applying a pre-set valuation data, and (e) automatically carrying out in the computer system using software. The computer system for automatically processing the Score is disclosed. The invention may utilize a user interface, a server, and a communication pathway to electronically solicit, receive, and store contractor information.

- 1. Independent claim 1, as well as claims 2, 4, 5, 7, 8, 9, 12 and 13 dependent thereon, meets the conditions for patentability because Aycock et al., GuruNet, Bladen et al., the Utah Research Handbook, Nielson Environmental and Yadav-Ranja, whether taken singly or in combination, do not disclose or suggest every feature of the contractor certification system of claim 1.**

With respect to claim 1, the Examiner's basis is set forth on pages 32-46 of the Office Action dated April 27, 2009, which provides the following basis for his rejection from which combinations as to each subsection are derived from the Examiner. Due to its lengthily nature, please refer to the pages therein.

In summary, the Examiner has stated, as per claim 1, that Aycock et al. teaches a contractor certification system comprising Applicant's claim 1 subsections (a) [survey means], (c) [mapping means], (d) [on-location assessment means], (e) [comparison means], and (f) [reporting means]. [OA, page 32-37].

The Examiner has stated that although Aycock et al. is not explicitly directed towards business contractors, contractors encompass various types of contractors (i.e. vendors, suppliers, building contractors, etc.), and thus an artisan of ordinary skill in the art would look to apply the teachings of Aycock et al. towards certifying specific types of contractors. Further, the Examiner has stated that Aycock et al. does not disclose assessment means for determining the business and financial practices of a contractor's practice, however, the Examiner gleans support from GuruNet. The Examiner has stated that GuruNet teaches a set of assessment statements given to staff members of a company that can be used to evaluate the financial practices of a company. [OA, pages 37-39].

The Examiner has stated that the combined teachings of Aycock et al. and GuruNet do not explicitly teach the step of assessing a contractor's close out procedures, and has gleaned support for same from the Utah Research Handbook. The Examiner stated that it would have been obvious to one of ordinary skill in the art at the time of invention to modify the Aycock-GuruNet combination to include closeout procedures as taught by the Utah Research Handbook in the assessment step, because disclosing technical and financial information regarding specific projects in evaluating the fiscal responsibility of contractors, enhances the ability of the Aycock-GuruNet combination to assess the business and financial practices of a contractor. [OA, pg. 39-41].

Further, as to (b), providing a questionnaire to selected candidate comprising workers, the Examiner has stated that Aycock et al. and GuruNet provide for self-assessment of the practices of a contractor, but do not explicitly disclose the job title/role or organizational hierarchical position. However, the Examiner has stated that the job title and/or role of survey participants do not affect the structure or manipulative steps associated with conducting a survey and therefore do not merit patentable weight. Furthermore, workers, foremen, project manager, engineer, and principal are all employees of an organization; thus, the distribution of surveys to employees of the contractor being evaluated in the teachings of Aycock et al. and GuruNet are deemed to satisfy the limitation of the claim.

As per limitation (d), the Examiner has stated that the combined teachings of Aycock et al., GuruNet, and The Utah Research Handbook fail to teach the step of on-location assessments visiting several active job sites at which a contractor is involved. However, the

Examiner has stated that Nielsen Environmental teaches conducting on-location assessment visits at several job sites at which a contractor is involved.

As per (f), Aycock et al. teaches receiving and storing contractor responses to a questionnaire but does not explicitly teach a listing of key risk factors and highlights said business and financial practices and risk factors of said contractor in comparison of said risk factors, said risk factors comprising said operational structure, marketing of new projects, current projects, details of project execution, safety procedures, statutory compliance, project administration, mediation/arbitration procedures and past litigation. However, the Examiner has gleaned support from GuruNet and Yadav-Ranjan, stating that Yadav-Ranjan teaches obtaining and storing information pertaining to the business and financial practices of a contractor, including current projects, statutory compliance, mediation/arbitration procedures and past litigation of a contractor. [OA, pg. 44].

Independent claim 1 meets the conditions for patentability because the combination of Aycock et al., GuruNet, Utah Research Handbook, Nielsen Environmental and Yadav-Ranjan fail to teach or suggest all the claim limitations of the contractor certification system of claim 1, and any such teaching or suggesting to make the claimed combination and the reasonable expectation of success is not found in the prior art but is based on applicant's disclosure.

Firstly, Aycock et al.'s method and system for evaluating supplier capabilities, and any combination of same with GuruNet, Utah Research Handbook, Nielsen Environmental and Yadav-Ranjan, does not teach, suggest or even permit *independent* third

party assessment. Particularly, as per the limitation in claim 1, subsection (a) requiring third party assessment; the Examiner has stated that “*the purchasing agent identifying the set of technical requirements that need to be met may be a contracting department of the buying entity, or an independent agent acting on behalf of the buying entity.*” [OA, page 35, first paragraph, citing Aycock et al. Col. 1, lines 55 – 56, Col. 6, lines 1 – 9]. Aycock et al. provides for an agent –**acting on behalf of the buying entity** – thus creating an *agency relationship* between the buying entity and the “independent agent”, wherein “an agency relationship is a consensual relationship created when one person(the agent) acts on behalf of and subject to the control of another (the principal).” Hynes, Dennis J., “Agency, Partnership, and the LLC: The Law of Unincorporated Business Enterprises”, Lexis Law Publishing, Fifth Edition, 1994, Glossary; Restatement (Second) of Agency §1. **Thus, Aycock et al. does not teach “independent third party” assessment but at best teaches that an agent acting on behalf of the buying entity conduct the assessment.** Conversely, Applicant’s claims require an independent third party – independent from the contractor AND independent from any particular lending or surety entity. While any system of Aycock et al. would result in assessment via an agent of the lender or surety itself. There is absolutely no bias with the application of the system required by Applicant’s claims. Even still, wherein on-site auditing were to take place in Aycock et al. (discussed in more detail hereinbelow pertaining to Appellant’s claim 1, subsection (d) limitation), same is taught to be performed by “*the purchasing agent and / or employees / consultants of the buying entity ...*” [Aycock et al., Col. 8, lines 21 – 26], which again establish an agency

relationship so that same is standing in the shoes of the buying entity and thus is **counteractive to an *independent third party assessment***. That is because in Aycock et al. the evaluation method is based on specific projects, i.e. to determine if a supplier qualifies as a vendor satisfying a *specific* buying entity's *specific* project needs. Whereas Appellant's contractor certification system is carried out via a set of standards (put in place by the system) to conclude with a certification which can be utilized by *any* surety institute. Appellant's system issues an unbiased objective report describing the contractors performance and lender risks, as compared to industry standards. This issued report may be used to increase the confidence level of surety and financial institutions when underwriting bonds and loans. A contractor may use this report as a third party assessment to improve his marketing performance.

Secondly, Aycock et al.'s method and system for evaluating supplier capabilities, and any combination of same with GuruNet, Utah Research Handbook, Nielsen Environmental and Yadav-Ranjan, does not teach assessment means for determining the business and financial practices of a contractor's practices, comprising management structure, reporting structure, internal communications procedures, safety and labor management practices, current projects, funding, gross margins and close out procedures. GuruNet merely provides a list of statements by which one can self-evaluate their company by distributing same to staff and having the staff answer by rating each statement on a scale of 1 – 10. The statements *do not provide* the type of in-depth information to which a surety would rely upon in extending credit. Management structure type statements provided by GuruNet are *vague*, for example: (i) Quest. 42 states "we have the management structure and systems in place to provide cost effective, high

quality, timely service for our product and services"; (ii) Quest. 43 states "we have a core team in place capable of effectively managing all aspects of our business"; (iii) Quests. 52 – 59 deal with statements concerning management, dealing with problems, recruitment, orientation and training, etc. [GuruNet, questions as cited]. These statements (or questions) are only probative as subjective questions and are vague. They merely assist a business owner in finding weaknesses, and certainly a surety could not possibly utilize answers to such questions to base a multi-million dollar loan upon. Questions in GuruNet are answered on a scale of 1 – 10, and therefore, not only are the questions vague and subjective, but the answers would not provide the degree of information that a lender could rely upon – or any vital information for that fact, except a biased rating anywhere from 1 - 10. Therefore, even if one of ordinary skill in the art at the time of invention were to modify the teachings of Aycock et al. to include the evaluator statements presented by GuruNet same would not yield evaluations of business and financial practices that could be comfortably utilized by surety institutions in the surety underwriting process. Furthermore, any such acknowledgement Examiner has taken as Official Notice that evaluations of a business can be used for a plurality of applications, such as establishing insurance premiums or loans of credit, and that the surety underwriting process involves the analysis of financial, credit, and organizational capabilities of an organization, *does not change the fact that any combination of the method of Aycock et al. with the statements of GuruNet would not yield a system that provides an accurate, concise, in-depth assessment of a building contractor's business which a surety would rely upon.* Moreover, the Official Notice does not establish evaluations of a business as applied by claim 1, in the context of a building contractor's business.

The Examiner's reliance on The Utah Research Handbook for teaching the step of assessing a contractor's close out procedures where the combined teachings of Aycock et al. and GuruNet do not explicitly teach close out procedures is misplaced. The Utah Research Handbook does not involve a building contractor – or builder – but merely involves government contract awards and as such merely entails the University's handling of closeout procedures, and is not indicative of closeout procedures for building contractors. Thus, any modification of the Aycock-GuruNet combination to include *government contract* closeout procedures taught by the Utah Research Handbook would not enhance the Aycock-GuruNet combination to assess the business and financial practices of a contractor.

Thirdly, Aycock et al.'s method and system for evaluating supplier capabilities, and any combination of same with GuruNet, Utah Research Handbook, Nielsen Environmental and Yadav-Ranjan, does not teach, suggest or permit providing the survey to selected candidates within a building contractor's business, comprising workers, foremen, project managers, engineers, and principals. The Examiner has stated that the job title and/or role of survey participants do not affect the structure or manipulative steps associated with conducting a survey and therefore do not merit patentable weight. However, the job title and role of the survey participants does affect the structure because it directly affects the specific answers given, which in turn has a direct affect on the ultimate report and grade generated and relied upon for obtaining lines of credit for a building contractor.

Job title and role of participants vastly affects the structure *and* steps associated with conducting a survey – and particularly *vastly affects the function of the survey in that uniquely provides a multifaceted survey approach that goes to the very core and intricacies of a*

*business*. That is to say, the questionnaire is distributed to a full gamut of representative segments of a building contractor's business, including workers, foremen, project managers, engineers, and principals. The requirement that the survey be given to such a wide demographic of the organization is a functional recitation that must be given patentable weight, and which limitation is not present in the references. Having a multifaceted system that uniquely questions the workers, foremen, project manager, engineers and principals is not only functional in giving the questionnaire, but also results in causing the questionnaire to function as a multifaceted assessment process. The limitation is not in any way, inherently or otherwise, disclosed in any of the references. *In re Lowry* (1994, CA FC) 32 F3d 1579, 32 USPQ2d 1031, *reh, en banc, den* (1994, CA FC) 1994 US App LEXIS 36805.

The Examiner's statement that workers, foremen, project manager, engineer, and principal are all employees of an organization, and thus, the distribution of surveys to employees of the contractor being evaluated in the teachings of Aycock et al. and GuruNet are deemed to satisfy the limitation of the claim – is overreaching. The evaluation system of Aycock et al. is not given to selected candidates *within* a business, but is given to a user / supplier that desire to be qualified as vendors. [Aycock et al. col. 14, lines 55 – 57]. The Examiner has pointed to “suppliers that desire to be qualified as vendors” teaching appellant's requirement that “selected candidates” within a contractor's business be surveyed. Further, the Examiner has stated that GuruNet teaches a set of assessment statements given to staff members of a company. Suppliers that desire to be qualified as vendors in Aycock et al. are generally not in the same organization, but are suppliers from different companies that fulfill the evaluation in Aycock et al. in hopes of being selected as the winning bidder (i.e. not within the same company,

but are essentially competitors). Moreover, in GuruNet, there is no teaching that the assessment statement be given to workers, foremen, project managers, engineers, and principals, within an organization for a full multi-level, multifaceted assessment of the business. GuruNet merely sets forth that the statements vaguely be given to staff members. At best such teaching establishes that surveys/questionnaires are administered to a person or a group of people at the *same* organizational level. That is to say, it teaches that a group of workers may be surveyed — but does not teach *simultaneously orchestrating a questionnaire to a plethora of* groups or people of different organizational levels as is required by Appellant's claim1(b).

The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *Lowry* at 1582. However, the Examiner does not have *any* teaching supporting a multifaceted assessment derived from questioning workers, foremen, project managers, engineers, and principals within an organization. Appellant's claims require that the selected candidates comprise workers, foremen, project managers, engineers, and principals, thus resulting in a system wherein individuals at a plethora of different organizational levels of the contractor's business are questioned. Compiling the answers from these different candidates provides a survey that examines every level and aspect of the contractor's business and financial practices, functioning to uniquely derive a full gamut of expertise by questioning all levels within the contractor's business. This multifaceted approach is not disclosed or taught in Aycock et al., GuruNet, Bladen et al., or The Utah Handbook, either alone or in combination, and is a functional recitation that carries patentable weight.

Fourthly, Aycock et al.'s method and system for evaluating supplier capabilities, and any combination of same with GuruNet, Utah Research Handbook, Nielsen Environmental and Yadav-Ranjan, fails to teach a system that *automatically and always* incorporates on-location visits. Aycock et al. only provides for on-location assessment or tier 2 analyses (on-site supplier audit) based on contingencies, including *if* a supplier is *not approved* but meets a minimum maturity level (step 26) or *if an automatic approval cannot be made*, and as such on-location visits are not automatically appointed for carrying out. [Aycock et al., Col. 7, lines 38 – 43]. If the minimum maturity level is step 26 is not met, the supplier is *automatically rejected* as a vendor and *no tier 2 analysis is carried out*. [Aycock et al., Col. 7, lines 43 – 45]. Aycock et al.'s on-location assessment is *only* carried out when a supplier meets the minimum maturity level and an interim decision has been made refusing to automatically approve the supplier – therefore, the on-location assessment is not carried out under two circumstances: (i) if the supplier fails to meet the minimum maturity level and is automatically rejected; or (ii) if the supplier meets the minimum maturity level but an interim decision is made to *automatically approve* the supplier. [Aycock et al., Col. 7, lines 38 – 65; Fig. 1 callouts 26, 30, 32, 34 and 36]. Therefore, where the supplier's answers are incorrect, exaggerated, or otherwise misguided, and the supplier is approved, the on-location assessment is not performed to verify and otherwise confirm the answers. Although Aycock et al. does state that where the supplier is a regular and established vendor for other projects, and has an excellent historical vendor performance to suggest that the supplier response are accurate and the supplier would be reliable, such automatic approval is given, such application would not be as reliable in building contracting. [Aycock et al., Col. 46 – 54]. Because financial deterioration of a building

contractor is frequently visible at the very late stages and building contractors are challenged with changing conditions, including elements that are unknown and must be dealt with that are outside the terms and conditions of a specific job or actual conditions known or specifications proposed, such reliance and automatic approval could be risky.

Any combination of Aycock et al. with GuruNet, Utah Research Handbook, Nielsen Environmental and Yadav-Ranjan would not cure the teaching in Aycock et al. for on-location assessment based on contingencies. Thus, the combination of references fail to teach a system that *automatically and always* incorporates on-location visits as is required by Applicant's claims.

It is respectfully submitted that the Examiner has not provided any motivation to re-configure Aycock et al. so that it could carry out the function of providing contractor certification for surety lending delineated by claim 1, apart from the hindsight of the present specification and claims. Specifically, there is no motivation to re-configure Aycock et al. to include that which it fails to teach, including: (i) the nature of the questions asked to include financial and business practices; (ii) asking the questions to select candidates in a gamut of organizational levels; (iii) on-location assessments visits to active job sites; (iv) reporting means; (v) comparative reports; and (vi) mediation/arbitration and past litigation disclosures. The need for such a substantial reconstruction is submitted to negate any finding of obviousness. *In re Ratti*, 270 F2d 810, 123 USPQ 349 (C.C.P.A. 1959).

Accordingly, it is submitted that no motivation for the combination of Aycock et al. with GuruNet, Utah Research Handbook, Nielsen Environmental and Yadav-Ranjan, in the manners proposed by the Examiner has been provided, nullifying the propriety of the present rejection.

**Conclusion**

In view of the foregoing remarks, it is submitted that present claim 1 patentably defines over Aycock et al., GuruNet, Utah Research Handbook reference, the Nielson Environmental reference, and Yadav-Ranjan.

**2. Dependent claims 2, 4, 5, 7, 8, 9, 12 and 13 meet the conditions for patentability because Aycock et al., GuruNet, Utah Research Handbook reference, the Nielson Environmental reference, and Yadav-Ranjan fail to disclose or suggest the a contract certification system of claim 1, let alone the preferred contract certification system of claims 2, 4, 5, 7, 8, 9, 12 and 13 which depend from claim 1.**

Further with respect to claims 2, 4, 5, 7, 8, 9, 12 and 13, the Examiner has provided the following statements of rejection in the April 27, 2009 Office Action on pages 37-42.

Claims 2, 4, 5, 7, 8, 9, 12 and 13 depend from currently amended claim 1, which is submitted to be patentable for the reasons set forth hereinabove. Inasmuch as claims 2, 4, 5, 7, 8, 9, 12 and 13 contain all the limitations of independent amended claim 1, it is submitted that these dependent claims are also patentable over the combined teachings of Aycock et al., GuruNet, Utah Research Handbook, Nielsen Environmental and Yadav-Ranjan.

Application of the combination of Aycock et al. with GuruNet, Utah Research Handbook, Nielsen Environmental and Yadav-Ranjan, would not provide a system

capable of determining surety lending risks for a building contractor's business. Regarding claim 8, the Examiner has stated that Official Notice is taken that questions regarding a company's bidding process and project execution practice are vital components in defining a company's management practices and an evaluation of these practices would be needed to formulate a comprehensive assessment that can be used to compare the company with other companies is respectfully traversed by applicants. Applicant had challenged the Official Notice in the Response filed on March 15, 2005 in response to the Office Action dated June 15, 2005, which was the Examiner's first notice of the particular Official Notice.

Applicant had argued that up until the time of applicant's invention no method capable of evaluating a contractor's business and financial practices in an accurate, efficient, unbiased highly reliable manner utilizing questions directed to management practices, with particular reference to marketing, bidding processes, and project execution practices has been proposed by any prior art works, including Aycock et al., GuruNet, or Bladen et al (then applied). The prior art inventions and their attendant disadvantages are discussed at pages 1 – 12 of the specification. As such, applicants respectfully requested that the examiner to produce authority for his statement. 37 CFR §1.111(b); *Chevenard*, 139 F.2d at 713, 60 USPQ at 241; TMEP 2144.03 subsection C. Under 2144.03 to adequately traverse a finding of Official Notice, an applicant must specifically point out the supposed errors in the examiner's action, and state why the noticed fact is not considered to be common knowledge. Applicant specifically pointed out the error – that up until the time of applicant's invention no method capable of evaluating a contractor's business and financial practices in an accurate, efficient, unbiased highly reliable manner utilizing questions directed to management practices, with particular reference to

marketing, bidding processes, and project execution practices. And further, Applicant pointed out why the noticed fact is not common knowledge – that being that such practices concerning marketing, bidding processes, and project execution practices have not been proposed by any prior art works, including Aycock et al., GuruNet, or Bladen et al. (then applied), and pointed to prior art inventions and their attendant disadvantages discussed at pages 1 – 12 of the specification.

The Examiner stated in the following Office Action dated December 14, 2005, that the traverse was inadequate, without including an explanation as to *why* it was inadequate as required under MPEP 2144.03C. Thus, the Examiner's finding of inadequacy of Applicant's traversing of the Official Notice was in itself inadequate.

In any event, even with the application of the Official Notice as against claim 8, the combination of references would still fail to provide a contractor certification system as delineated by claims 2, 4, 5, 7, 8, 9, 12 and 13, as same depend from independent claim 1 which is patentable for the aforementioned reasons.

### **Conclusion**

In view of the foregoing remarks, it is submitted that present claims 2, 4, 5, 7, 8, 9, 12 and 13 patentably define over Aycock et al., GuruNet, Utah Research Handbook reference, the Nielson Environmental reference, and Yadav-Ranjan.

**(E) Whether claims 6, 10, 11 and 13 stand finally rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,765,138 to Aycock et al., in view of GuruNet's "Business Evaluation Statements", further in view of the Award Expiration/Closeout section of the University of Utah Research Handbook reference, the "Field Team Audits" by The Nielson Environmental Field School reference and U.S. Patent Application Publication No. 2004/0059592 to Yadav-Ranjan, and further in view of Ana Volpli's "Support Center Practices Certification" reference.**

**1. Dependent claims 6, 10, 11 and 13 meet the conditions for patentability because none of Aycock, GuruNet, Utah Research Handbook reference, the "Nielson Environmental Field School reference, Yadav-Ranjan, and Ana Volpli, alone or in combination, disclose or suggest the a contract certification system of claim 1, let alone the preferred contract certification system of claim 6, 10, 11 and 13 which depend from claim 1.**

Further with respect to claims 6, 10, 11 and 13, the Examiner has provided the following statements of rejection on page 52 – 56 of the April 27, 2009 Office Action.

Claims 6, 10, 11 and 13 depend from currently amended claim 1, which is submitted to be patentable for the reasons set forth hereinabove. Inasmuch as claims 6, 10, 11 and 13 contain all the limitations of independent amended claim 1, it is submitted that these dependent claims are also patentable over the combined teachings of Aycock et al., GuruNet, The Utah Research Handbook, Nielsen Environmental, and Yadav-Ranjan as applied to claim 1 above, and further in view of Ana Volpli's "Support Center Practices Certification".

Accordingly, reconsideration of the rejection of claims 6, 10, 11 and 13 under 35 USC §103(a) as being unpatentable over the combination of Aycock et al., GuruNet, The Utah Research Handbook, Nielsen Environmental, Yadav-Ranjan and Ana Volpli's "Support Center Practices Certification", is respectfully requested.

Application of Aycock et al., alone or in combination with the art applied, would not provide a system capable of determining surety lending risks for a building contractor's business. However, the Examiner's assertions of fact are not appropriate basis of Official Notice because the facts asserted by the Examiner are not capable of instant and unquestionable demonstration. In *limited circumstances*, it is appropriate for an examiner to take official notice of facts not in the record or to rely on "common knowledge" in making a rejection; however, such rejections should be judiciously applied. MPEP 2144.03. While "official notice" may be relied on, these circumstances should be rare when an application is under final rejection, as is the case herein. MPEP 2144.03(A).

Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known. MPEP 2144.03(A). It is not appropriate for an examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well known. MPEP 2144.03(A). Moreover, it is never appropriate to rely solely on "common knowledge" in the art without evidentiary support in the record, as the principal evidence upon which a rejection was based. MPEP 2144.03(A).

Sole reliance on the Official Notice has resulted in the rejection of the preferred embodiments of both claims 6 and claim 11 as the Examiner concisely states that the combined teachings of Aycock et al., GuruNet, and Bladen et al. are silent regarding the use of a special logo or insignia. . Therefore, the Examiner's sole reliance acts as the sole, principal evidence

upon which the rejections to claims 6 and 11 were based, and as such the rejections are not appropriate.

Up until the time of applicant's invention no method capable of evaluating a contractor's business and financial practices in an accurate, efficient, unbiased highly reliable manner has been provided that uniquely yields a report with a unique, easy to read and decipher logo and insignia directed to the certification system's results. Such a report with a logo has not been proposed by any prior art works, including Aycock et al., GuruNet, Utah Research Handbook reference, the "Nielson Environmental Field School reference, Yadav-Ranjan, and Ana Volpli.

### **Conclusion**

In view of the foregoing remarks, it is submitted that present claims 6, 10, 11 and 13 patentably define over Aycock, GuruNet, Utah Research Handbook reference, the "Nielson Environmental Field School reference, Yadav-Ranjan, and Ana Volpli.

**(VIII) Conclusion**

In light of the foregoing remarks, it is respectfully submitted that the contractor certification system of claim 1 (and claims 2, and 4 – 13 dependent thereon) is not disclosed or suggested by any combination of the art references applied, and thus meet the conditions for patentability required by 35 U.S.C. §103(a).

Accordingly, reversal of the rejection of claims 1, 2 and 4 – 13 under 35 USC §103(a), and allowance of the present application, are earnestly solicited.

Respectfully submitted,  
David J. Alverson

By   
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**(IX) Claims Appendix — Claims On Appeal**

1. A contractor certification system for obtaining lines of credit for a building contractor comprising:
  - a. survey means comprising a questionnaire stored in a computer database, which is provided to selected candidates within different organizational levels of a building contractor's business for electronically gathering answers concerning information detailing business and financial practices, said answers being used for assessing business and financial practices of said contractor's practices by an independent third party, said financial practices being used to predicate risk ranking when securing lines of credit for said contractor's business, said business practice information comprising management structure, reporting structure, internal communications procedures, safety and labor management practices, said financial practice information comprising current projects, funding, gross margins and close out procedures;
  - b. said different organizational levels comprising at least one worker, foremen, project manager, engineer, and principal;
  - c. mapping means for studying said answers provided to said questionnaire on said computer database to select job site visits and candidates for interviews, said mapping means comprising examining and correlating said answers to determine matches, discrepancies and inadequate details;

- d. on-location assessment means for determining business and financial practices at the contractor's operations, said assessment means comprising asking questions to each of said candidates selected through said mapping means and observing examples of the contractor's business practices and financial procedures, said assessment means further comprising visiting several active job sites at which said contractor is involved;
- e. comparison means for assessing business and financial practices by way of software evaluation of results obtained from steps a-d, and electronically ranking the contractor in comparison with industry standards; and
- f. reporting means for providing a grade indicative of said contractor's rank, said reporting means further comprising computer generation of a comparative report that provides a listing of key risk factors and highlights said business and financial practices and risk factors of said contractor in comparison of said risk factors, said risk factors comprising said operational structure, marketing of new projects, current projects, details of project execution, safety procedures, statutory compliance, project administration, mediation / arbitration procedures and past litigation.

2. A contractor certification system as recited by claim 1, wherein said questionnaire is composed of non-threatening questions.

3. (cancelled).

4. A contractor certification system as recited by claim 1, wherein said on-location assessments comprise one on one interviews drawn from selected candidates and job site visits.
5. A contractor certification system as recited by claim 1, wherein said comparison means comprises an evaluation of said contractor's business and financial practice data against one or more databases containing performance and risk factor data from similar contractors, stored by the contractor certification system.
6. A contractor certification system as recited by claim 1, wherein said reporting means comprises:
  - a. a comparison report addressed to a surety institution and said contractor,
  - b. a logo graphically depicting a hobo wearing a top hat having a base, a top portion, a partially colored portion and an uncolored portion, the colored portion extending upward from said base toward said top portion, and said uncolored portion varying inversely with said grade.
7. A contractor certification system as recited by claim 2, wherein said questionnaire comprises questions directed to organizational aspects with particular reference to management structure, authority delegation and decision-making practices.

8. A contractor certification system as recited by claim 2, wherein said questionnaire comprises questions directed to management practices, with particular reference to marketing, bidding processes, and project execution practices.
9. A contractor certification system as recited by claim 5, wherein said database stored comprises a compilation of business and financial and risk data derived from contractors previously evaluated.
10. A contractor certification system as recited by claim 6, wherein said comparison report sets forth said contractor's business and financial practices with detail sufficient to assist surety institutions engaged in underwriting a contractor's credit line.
11. A contractor certification system as recited by claim 6, wherein said logo is adapted for display in a contractor's letterhead to advertise and communicate said contractor's rank, business and financial practices.
12. A contractor certification system as recited by claim 1, wherein said reporting means is provided to lending institutions for determining an amount of credit to extend to said contractor's business.
13. A contractor certification system as recited by claim 1 that is repeated annually.

Applicant : David J. Alverson  
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**(X) Evidence Appendix**

Not applicable.

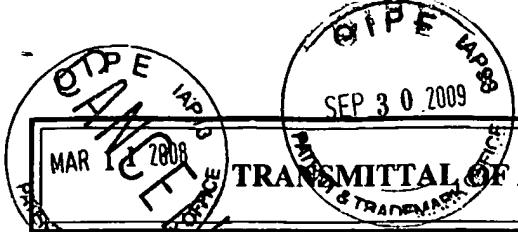
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**(XI) Related Proceedings Appendix**

Not applicable.



1 Pn AF \$

TRANSMITTAL OF APPEAL BRIEF (Small Entity)

Docket No.  
0131-1

In Re Application Of: David J. Alverson et al.

Application No.	Filing Date	Examiner	Customer No.	Group Art Unit	Confirmation No.
10/634,504	August 5, 2003	Peter H. Choi	000025901	3623	8769

Invention: Contractor Certification System

COMMISSIONER FOR PATENTS:

Transmitted herewith is the Appeal Brief in this application, with respect to the Notice of Appeal filed on:

January 3, 2008

Applicant claims small entity status. See 37 CFR 1.27

The fee for filing this Appeal Brief is: \$755.00

A check in the amount of the fee is enclosed.  
 The Director has already been authorized to charge fees in this application to a Deposit Account.  
 The Director is hereby authorized to charge any fees which may be required, or credit any overpayment to Deposit Account No. 503832 I have enclosed a duplicate copy of this sheet.  
 Payment by credit card. Form PTO-2038 is attached.

**WARNING: Information on this form may become public. Credit card information should not be included on this form. Provide credit card information and authorization on PTO-2038.**

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Signature

Ernest D. Buff  
Attorney For Applicant  
Reg. No.: 25,833

Dated: March 7, 2008

I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to "Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450" [37 CFR 1.8(a)] on March 7, 2008

(Date)

  
Signature of Person Mailing Correspondence

Ernest D. Buff

  
Typed or Printed Name of Person Mailing Correspondence

CC:

**DETAILED ACTION**

1. In view of the Appeal Brief filed on March 11, 2008, PROSECUTION IS HEREBY REOPENED. A new ground of rejection is set forth below.

To avoid abandonment of the application, appellant must exercise one of the following two options:

(1) file a reply under 37 CFR 1.111 (if this Office action is non-final) or a reply under 37 CFR 1.113 (if this Office action is final); or,

(2) initiate a new appeal by filing a notice of appeal under 37 CFR 41.31 followed by an appeal brief under 37 CFR 41.37. The previously paid notice of appeal fee and appeal brief fee can be applied to the new appeal. If, however, the appeal fees set forth in 37 CFR 41.20 have been increased since they were previously paid, then appellant must pay the difference between the increased fees and the amount previously paid.

A Supervisory Patent Examiner (SPE) has approved of reopening prosecution by signing below:

/Beth V. Boswell/

Supervisory Patent Examiner, Art Unit 3623

2. The following is a first office action upon examination of application number 10/634,504. Claims 1, 2, and 4-13 are pending in the application and have been examined on the merits discussed below.